

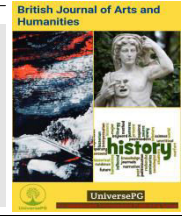


Publisher homepage: www.universepg.com, ISSN: 2663-7782 (Online) & 2663-7774 (Print)

<https://doi.org/10.34104/bjah.019.0113>

British Journal of Arts and Humanities

Journal homepage: www.universepg.com/journal/bjah



Bangladesh-East Asia Relations in the Context of Bangladesh's Look East Policy

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ABSTRACT

'Look East' diplomacy and its foreign policy aspiration of engagement with East Asian countries is part of clear recognition of strategic and economic importance of the region to Bangladesh's national interests. Bangladesh government is planning to implement the 65,000 kilometer road project through Asian highway route. Bangladesh would be linked to 15 countries with the proposed road network. The Asian Highway project was first launched in 1959 under UN Economic and Social Commission for Asia and Pacific (ESCAP). Its main purpose is to increase regional and international cooperation between Asia and Europe via Turkey and to set transportation, infrastructural progress for socio-economic development of many countries in the region. In order to realize Bangladesh's potential and expedite further growth, Japan has come up with the concept of the Bay of Bengal industrial growth belt" or what Prime Minister Shinzu Abe termed "The BIG-B". On the other hand, Chinese President Xi Jinping described Bangladesh as an important country along the "Maritime Silk Road" (MSR) project that he has been championing, which envisages deepening connectivity, building ports, free trade zones, and boosting trade with littoral countries in the Indian Ocean region and in East Asia. In the introductory part of this paper, we will give a little summary of the concept of look east policy, relationship between Bangladesh and East Asia, particularly Japan and China. Political and economic relations, trade and investment, regional connectivity, infrastructural development, between Japan and Bangladesh and China and Bangladesh have been discussed in the paper. The main purpose of this paper is to provide a basic understanding of look east policy of Bangladesh foreign policy, which is very significant in order to ensure more investment and transfer of technology to Bangladesh.

Keywords: East Policy, Bangladesh, Relations, Context, infrastructural development and engagement.

INTRODUCTION

The Prime minister of Bangladesh Sheikh Hasina paid state-visits to Japan in May 2014, and China in June 2014, which has prompted a great deal of discussion among economists and political scientists about the prospects for Bangladesh's relations with the region's largest economies. The fact that this has occurred at a time of heightened tensions between Tokyo and Beijing over the South China Sea territorial issues makes her latest economic diplomacy initiatives all the more interesting. Following PM Hasina's visit, Japanese Prime

Minister, Shinzu Abe, committed 600bn yen (\$5.9bn) in economic assistance to Bangladesh over the next four to five years. The joint communiqué has emphasized that the funds, mainly in low-cost loans, will be used to build infrastructure projects in Bangladesh (The Daily Prothom Alo, June, 2014). In order to realize its potential and expedite further growth, Japan has come up with the concept of the Bay of Bengal industrial growth belt" or what he termed "The BIG-B." On the other hand, Chinese President Xi Jinping described Bangladesh as an important country along the MSR project that he has been championing, which envisages deepening

connectivity, building ports, free trade zones, and boosting trade with littoral countries in the Indian Ocean region and in East Asia. What is really noteworthy is how much the Chinese president's comments echo those of Japanese PM Abe's talk of Bangladesh being part of the "Big-B" or Bay of Bengal growth zone.

It was reported that Hasina asked her counterpart to consider a range of specific projects like a Ganges barrage, building multi-modal tunnels under the Jamuna River, a railway bridge over the Jamuna River, a multi-modal Dhaka eastern bypass, and the ecological restoration of four rivers around Dhaka. Globalization has led to rapid expansion of the regional economies in East and South Asia at a faster speed than the world average and so establishment of Asian Highway network is a demand of the day. Bangladesh's economic-structural transformation will come from a new "look east" policy of engagement with Japan, China, Korea, and Taiwan among others. Bangladesh should not have to choose between alignments with Japan as opposed to China, but establish strong economic ties with both countries and others in the region based on mutually beneficial economic ties (The Daily Prothom Alo, June, 2014).

Concept of Look East Policy

The first notable "look east" policy was adopted by Malaysia in 1983 and championed by its then premier, Mahathir Mohamad. It primarily focused on attracting foreign direct investment and technical assistance from Japan that transformed Malaysia into a manufacturing, export-driven economy. India itself most famously adopted its own "Look East" policy in 1992 under former Prime Minister PV Narasimha Rao, as part of a strategy to deepen economic ties with the new Asian Tiger economies such as South Korea, Taiwan, and Singapore among others. Coming back to the development of Bangladesh's own "look East" policy, while Sheikh Hasina's two state-visits to Japan and China are an important start. Hence, I would recommend that the Government of Bangladesh works with the embassies of some of the key Asian economic partners, starting with Japan, China, and Korea, along with development partners such as ADB, JICA and formulate a policy roadmap to capitalize on the "look East" initiative in the following four key areas:

Trade and Investment

What is the best strategy to catalyze "look East" FDI? Bangladesh should offer a number of country specific economic zones or allocate a reserved proportion of future economic zones to key Asian partner countries. For example, this can be on the basis of Japanese or Korean investments in countries such as Vietnam as well as close collaboration and feedback with Jetro, Kotra and the equivalent Chinese commercial development agencies. Effective engagement with the private sector can also be helped by working with associations such as the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) and their equivalents in other countries. We should also consider what regulatory changes or fiscal incentives have worked effectively in other countries to catalyze FDI into economic zones. For each of our key Asian trading partners, an assessment should be made on our import and export mix. Do we produce the range/mix of products that for example are in demand in China, Japan or Korea? What is the tariff structure for import of their products? Perhaps reduced tariffs or duties on their imports can facilitate greater market access for our products. Of course greater FDI from those countries as part of their China relocation strategy or taking advantage of Bangladesh's low labor costs will also help this process. But we need a broad and holistic assessment of reforms needed to our trade strategy.

Regional Connectivity

As mentioned earlier in this term paper, a common focal point for Japan and China is the importance of Bangladesh's geographic position. Chittagong port is around 700 km from Kunming, the capital of China's westernmost province Hunan. The equivalent journey to the nearest Chinese deep sea port is Guangzhou, more than twice as far away. The primary institutional mechanism to realize this has been the BCIM (Bangladesh, China, India, and Myanmar) economic corridor strategy that originated in the Kunming Initiative back in 1999, in part motivated by research by Prof. Rehman Sobhan, Chairman of Bangladesh's Center for Policy Dialogue (CPD). India's vice president, Hamid Ansar, who, on a five-day state-visit to China, stated on June 29: "BCIM is a good and positive initiative; we will be supportive of it." Although he hedged his comments by also asking for more details from Beijing about its plans for a MSR and Bangladesh needs to do is to target five key development

projects that will fast track the BCIM initiative so we can move on from just the ongoing dialogues that have taken place every year since 1999. This can be the terms for the deep sea port at Sonadia, road and rail connectivity, or even gas pipelines from Burma crossing Bangladesh to India.

Infrastructural Development

While closely linked to regional connectivity, we must also focus on the scope for China, Japan and Korea to facilitate the development of Bangladesh's infrastructure. We are already seeing some encouraging signs of this from Hasina's Japan and China visits. All three countries have impressive construction and engineering companies. China and Japan also have massive forex reserves and the resources to help with financing. These facilities are critical given that it has been estimated by the World Bank that Bangladesh needs \$9bn of investment per year to close the infrastructure deficit. A critical component in Bangladesh successfully capitalizing on its geographic location, and hence the pivotal element in any "Look East" policy is a strong and collaborative alliance with Myanmar. Bangladesh's foreign ministry needs to appreciate the economic consequences of any rift with Burma given the massive China and Japan investments in that country. And its surplus of natural resources can also be a key element in Bangladesh's economic development in terms of power generation. Let us focus on making sure this is the turning point in economic relations and not another missed opportunity. Now is the time for Bangladesh to Look East as the key driver of future economic growth (The Daily Jugantor, March, 2015).

Japan-Bangladesh Political Relations and Look East Policy

Notable contacts between the Bengalis and the Japanese Bengali woman named Hariprabha Basu Mallick from Dhaka married Japanese national Takeda San and moved to Japan in 1912. Noble Laureate Rabindranath Tagore visited Japan in 1916 at the invitation of his Japanese friend and poet Yone Noguchi San. His other friends were Tenshin Okakura (Japanese fine arts scholar) and Taikan Yokoyama, a Japanese master of painting. Netaji Subhash Chandra Bose, a Bengali hero, joined the Imperial army to fight the British. Bengali justice Radha Binodh Paul in the war crime tribunal was the lone dissenting voice after the World War II, who

played an important role in favor of Japan in the tribunal. In the Cyclone of 1970- more than ½ million people died. Ordinary Japanese people donated large sum of money meant for Bengali cyclone victims. Mr. Takashi Hayakawa raised large sum of money for the Bengali cyclone victims. Japan recognized the independence of Bangladesh on 10 February 1972. Prime Minister Sheikh Mujibur Rahman visited Japan 1973. Their Imperial Highnesses the Crown Prince AKIHITO and Crown Princess MICHIKO (currently Their Majesties the Emperor and The Empress) visited Bangladesh in 1975. Japan has become the most important development partner-economic, social and cultural since its independence. The Government, people of Japan and the private companies have contributed significantly to the development of Bangladesh.

After the collapse of the communist regimes in Eastern Europe and Soviet Union, the resources of Western Europe and the USA are likely to be divested to that area. Third world countries in Asia and Africa will increasingly come to rely on Japan as their hope. How Japan shapes its economic policies will possibly determine the future of these countries. But to say that Japan today is being considered as the principal source of economic assistance in Asia and Africa is to state only a part of the truth. Japan is a one of the richest and industrially developed countries of the world. On the contrary, Bangladesh is a developing country with backward economy. Since independence, Bangladesh has been struggling hard to over-come her crisis of development. She has been dependent on the industrially developed countries for aid and assistance to meet her challenging socio-economic problems. Of the industrially developed countries, Japan has become the major source of foreign aid for Bangladesh. Relations between the two countries one the richest and the other the poorest in Asia, have gone from strength to strength ever since Japan was one of the first countries to recognize Bangladesh on, 10th February 1972, after its emergence as a sovereign independent country. Though Japan is a developed and Bangladesh is a developing country, both have political and economic interests.

Japan has some political goals in Bangladesh. These political goals are: First of all Japan would like to be a permanent member of the United Nations Security Council. So, Japan seeks Bangladesh's support for the draft resolution on the United Nations Security

Council reforms. Japan's Press Secretary for Foreign Affairs Hatsuhide Takashima at briefing in Tokyo on July 8 said, Koizumi will seek Bangladesh's support for draft resolution on the UN Security Council Reforms and look in to the possibility of Bangladesh co-sponsoring of this resolution (The Daily Star, July 11, 2005). Bangladesh reaffirmed its support to Japan for becoming a member of the United Nations Security Council (UNSC) through the proposed expansion of the UN police body, now the talk of the world. "We reiterated Bangladesh's support we will not co-sponsor", Bangladesh Foreign secretary Hemayet Uddin told reporters after the official talks between Bangladesh Prime Minister Begum Khaleda Zia and Japanese Prime Minister Junichiro Koizumi (The Independent. July 15, 2005). Mr. Hemayet Uddin also said, "Japan requested to vote for the draft resolution, but we said we will look in to it" (The Daily Star, July 15, 2005).

UNSC reforms that would be mooted in the UN General Assembly sitting in September-2005. Secondly, Japan would like to see peace and stability in South Asia. During the last three decades of Japan's vital political interest was to establish peace and stability in south Asia. Since 1945, Japan was tied politically and strategically to the Western Block and has been a close ally of the USA. During the middle 1970's the United States withdrew militarily from the mainland South East Asia. So she is no longer in hegemonic role, and as the Sino-Soviet competition for influence intensified, Japan was called upon to contribute to the stability of the region. Besides, Bangladesh is a major source of essential raw materials for Japan, and an important market for Japanese manufactured goods. Bangladesh is also an attractive place for substantial Japanese investment. Moreover, in addition, the water ways of Southeast Asia are increasingly vital for Japan's international transport system. About 60 percent of Japan's oil imports and 40 percent of its foreign trade are transported via the Straits of Malacca, and the Lombok Straits (Khamchoo, Chaiwat, spring, 1991, P. 7). After the independence of Bangladesh, Japan and Bangladesh agreed to maintain peace and promotion of prosperity in the world, particularly in Asia.

During the visit of the first prime minister of Bangladesh Sheikh Mujibur Rahman to Japan in 1973, signed an agreement with his counterpart Mr. Kakue Tanaka. The two prime ministers realized the importance of the maintenance of peace and

promotion of prosperity in the world, Particularly in Asia. Both the prime ministers hoped that in the interest of the establishment of durable peace in the area, the other pending issues would be resolved soon through negotiation among the countries concerned on the basis of sovereign states (The Bangladesh Observer, 20 October, 1973). During President Ziaur Rahman visit to Japan in 1978, President Ziaur Rahman said, "I had discussed with the Japanese Prime Minister about international issues and had similar views on South East Asia, Sub-continent, Middle-East and North South dialogue, and both the countries had agreed to work together in the next UNO and General Assembly session on the question of disarmament (The Bangladesh Times, 10 April, 1979)." Japan's interest in security role in South Asia was expressed in a statement made by the Japanese Foreign Minister Tadasu Kuranari in Dhaka in 1987, "Japan expressed its intention to contribute the reduction of tensions and peaceful settlement of conflicts, by promoting dialogue" (The Bangladesh Times, 26 February, 1990). Mr. Toshiki Kaifu, the Prime Minister of Japan told at Dhaka, "I would like to pronounce clearly Japan's intent to continue its vigorous support for political stability and economic development of the South-Asian Countries as well as the rest to the world by engaging in dialogue and co-operation (Ministry of Foreign Affairs, 1992). Besides, Japan is considered to be committed to strengthen its assistance to those areas that are important to the maintenance of peace and stability of the world (Arase, David, 1993). Third of all, Japan would like to develop its international leadership, since the mid-1980s. Japan has sought leadership through growing contributions to North-South relations and international peace and security and in the developing international relations, and international peace and security.

In developing international leadership, Japan cultivates two types of roles: First, Japan emphasizes economic policy co-ordination with the United States and Europe through G-7 mechanisms, development co-operation through the OECD. In Asia, Japan is trying to bury the past and develop a strong set of bilateral relations. Second, Japan is working to strengthen regional economic co-operation for, and in the area of regional peace and security. It has pledged to support the cost of peace-keeping operations and future reconstruction efforts

in Cambodia, as well as committing peace keeping personnel in 1992 to assist the UNO peace process. Japan's Asia oriented Official Development Assistance (ODA) supports this diplomacy (Arase, David, 1993). Fourth of all, Japan would like to assume leadership in Asia. Such a perception and self-image are based on the following consideration: First, basis for such a claim is based on Japan's economic predominance in Asia. Second, the basis for Japanese leadership rests on its efforts to resolve regional conflicts in Asia. It provided funds and from 1992, peace keeping personnel to support UNO, peace plan for Cambodia. Third, the basis for assuming Leadership can be attributed to Japan's role as political mediator in Asia (Matsura, Koichiro, 1981). Fifth, Japan would like to establish and patronize democracy in Asia. During the mass upheaval in Bangladesh against the autocratic regime of Mr. Hossain Mohammad Ershad, Japan indicated the possibility of withholding aid to Bangladesh, if

political repression continued. During the 1991 general election in Bangladesh a multiparty team of the Japanese Diet visited our country, Aid programs did develop within the political frame work during the cold war.

With strong American urging, Aid flowed only to noncommunist nations in the East and South East Asia. Japan did not provide aid to any socialist country until 1973 (Hellman C. Donald.) Sixth of all, during the cold war, Japan played an expensive political and military role to contain communism in the emerging Japanese Vision of the future. Japan would like to fashion a foreign policy that exhibits greater activism on a traders diplomacy was sustainable into the mid 1970' s largely because the United States had willingness to play an extensive political and military role to contain communism in the region, hereby leaving little room for Japanese action (The Japan Times, 15 March 1977).

The Map of Bangladesh

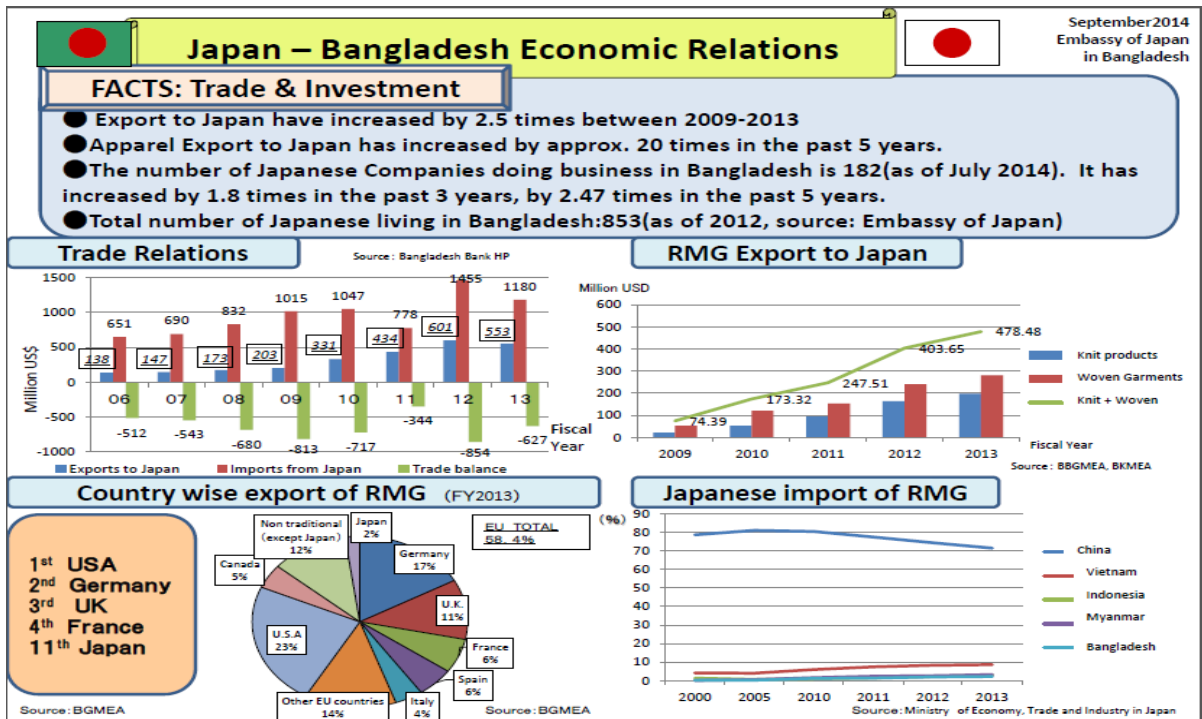


Source: Wikipedia

On the hand, OSHIN-TV drama series OSHIN broadcasted in Bangladesh from 1991 to 1992. Toyota cars are the largest selling brand in Bangladesh and Sony products are very popular. Japanese people are highly respected in Bangladesh. While the Japanese national flag has a red circle on a white field, the Bangladeshi national flag has a red circle on a green field. Bangladesh honors four Japanese nationals Bangladesh confers State Honour to four Japanese nationals on March 27, 2012 in Dhaka. Founder President of Japan Bangladesh Parliamentary League and former Japanese Lawmaker Professor Tsuyoshi Nara, Mr. Naoaki Usui –Journalist, and Mr. Takamasa Suzuki.

Japan-Bangladesh Economic Relations

Japan is an important development partner of Bangladesh. Japan is not only a development partner of Bangladesh but also she has some political interest in Bangladesh. Japan achieves her political goals in Bangladesh by following ways: First of all, Japan achieves her political goal in Bangladesh by using the tool of foreign aid. Specially, it is a way for non-military power to contribute to international society (The Bangladesh Times, 12 February 1990). Japan is considered to be committed to strengthen its assistance to “those areas that are important to the maintenance of peace and stability of the world (Ministry of Foreign Affairs, 1992).



Source: Embassy of Japan in Bangladesh

Second of all, Japan achieves her political goals in Bangladesh by promoting political dialogue. Japanese Foreign Minister Kuranari's statement said, "Needless to say", one must take into account the situation in South Asia when considering peace and stability of the whole Asia. From this point of view, Japan wishes to further strengthen its efforts for promoting political dialogue in the countries of South Asia. Elaborating the main objective of Japanese Prime Minister Kaifu's visit to Bangladesh, the Japanese official said, "First, it would be an important occasion for him to engage in a political dialogue with president Ershad." "We feel it is very important to have the political and economic dialogue at highest level (The Bangladesh Observer, 1 May, 1990). Final of all, visits of the several top level leaders were exchanged between the countries. Japan and Bangladesh exchanged their views on a broad range of subjects of common interests covering international and regional affairs, and various matters of bilateral interests.

Japan's Economic Goals in Bangladesh

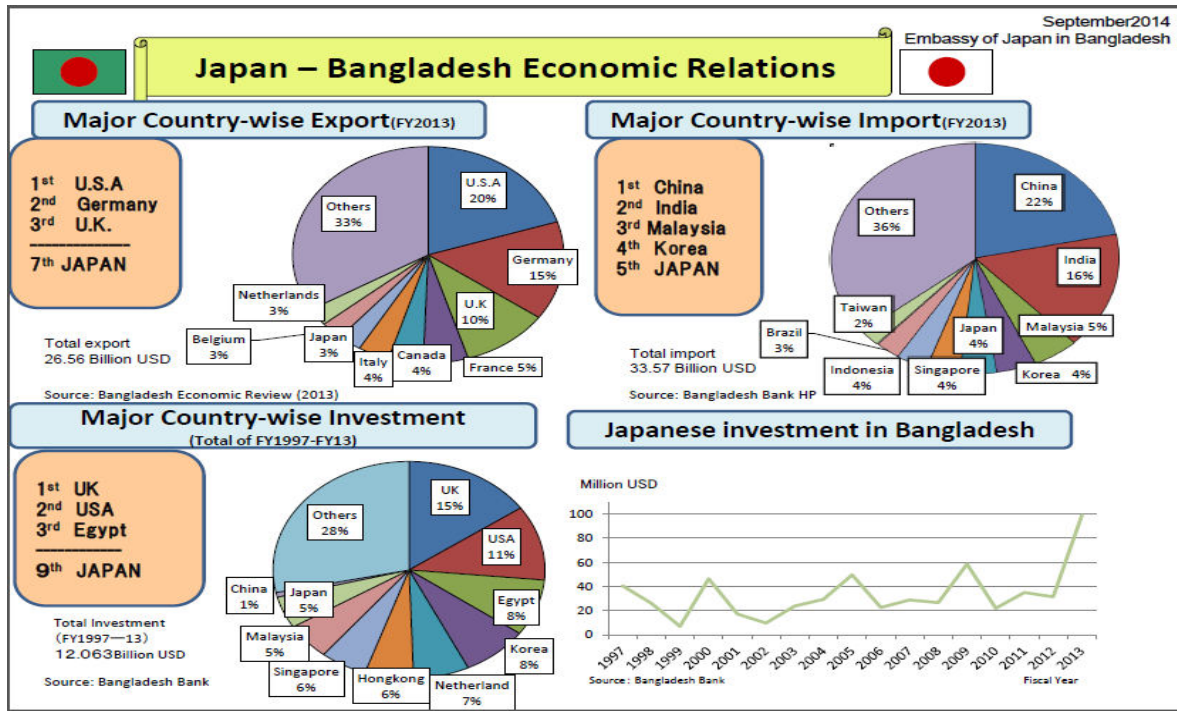
Japan is one of the important sources of foreign aid in Bangladesh and she is the important development partner of the country. By the early seventies, Japan's post war diplomacy toward South East Asia as elsewhere had been labeled "traders diplomacy." It was diplomacy of the economy by the economy and for the economy (Yonosuke Nagai, 1981). Bangladesh. These economic goals are: First of all,

Japan is interested to secure supply of essential raw materials from Bangladesh. Being one of the most highly-industrialized countries and consequently, of the largest exporters of industrial goods, Japan needs to import huge quantities of raw materials from Bangladesh. Second of all, Japan is interested to have continued access to markets in Bangladesh for its finished goods. In order to preserve its prosperity and employment levels, Japan must export a tremendous amount of industrial goods of very high quality with modest price.

Third of all, Japan would like to protect and promote the present international trade regime that includes, by and large, the preservation of the present monetary order, institution of aid and free trade. The Japanese can be expected to lend a helping hand in preserving the present world economic order and if requires more aid, the Japanese will come up with it. Their political democracy and peace orientation powerfully reinforces this priority. But the obverse is also true. If the world economic order fails to sustain free trade, both raw materials and industrial goods with a reasonable degree of expansion every year the whole apple cart will be upset. Kuranari's said, "I also believe important to make active contributions, co-operating with other peace loving nations in Asia, to the realization of tensions and peaceful settlement of conflicts, by promoting dialogue" Needless to say, one must take into account the situation in South Asia when considering the peace and stability of the

whole Asia. From this point of view, Japan wishes to further strengthen its efforts for promoting political dialogue with countries in South Asia (Tadshi Kuranari, 1987). Fourth of all, Bangladesh is an important place of Japanese product. The cost of

production is less than that of any other countries of the world. “Ample scope and opportunities also exist in Bangladesh for marketing their (Japan’s) products.”



Source: Embassy of Japan in Bangladesh

Though we have political, economic and cultural relations with Japan, but our main relation with Japan is economic. Japan achieved her economic goals in Bangladesh by providing aid, developing trade and by making infrastructural investment. This will tell us how Japan did achieve her economic goals in Bangladesh. First of all, aid is a vital tool of achieving Japanese economic goals in Bangladesh. Some features of Japan’s aid program which derive from this Asia-centric approach are that, it is project based (particularly for high profile projects). With a predominance of bilateral loans and that there is an emphasis on infrastructure developments. It focuses on low-income countries (and not the best developed countries for example) as recipients, gives close attention to technical skills human resource development, and is aligned with the concept of “heart to heart” democracy and co-operation rather than “charity”. Second of all, trade is another important way of achieving economic interest of Japan from Bangladesh. In many respects, international trade is the life blood of Japanese economy. The trend of the three decades and a half of Japan Bangladesh trade balance can be seen as negative balance of trade (JETRO, Bangladesh, Dhaka, and June, 2005).

Last of all, Japan fulfilled her economic interest in Bangladesh by making investments. As a developing country, Bangladesh welcomes flow of foreign investment in the country for an Introduction of new technology to help improve the job market and the economic growth. Japan is one of the largest investors’ in Bangladesh. The ‘smart power’ concept has the potential to give rise to ‘culture’ becoming a tool of manipulation (Zamorano, 2016).

In 1961, Japan’s first investment was in Bangladesh, a joint-venture textile mills (Dhaka Courier. 24 July, 1998). Till now more than 14 Japanese companies inside EPZ’s and 40 outside EPZ’s are operating in Bangladesh (BEPZA-2005). According to board of investment sources up to June 2004 Japanese companies registered with BIO invest in Bangladesh 1, 188. 647 Million USD (BOI-2005) and Japanese investment in Bangladesh ranks 4th among the foreign investing countries after the USA, UK, and Malaysia. There are presently about 120 projects with 100 percent Japanese investment or joint venture between Bangladesh (Board of Investment Report, 2005).

Bangladesh-China Relations: Economic, Political and Strategic Implications

South Asian and Southeast Asian regions are very vital for China and its neighboring countries. China shares common borders with five South Asian countries and with some Southeast Asian countries near South China Sea and both have historic good relations from the establishment of Han dynasty. China has good trade relations with all South Asian states and their relations are based on good neighboring policy. China's economic role in South Asia is beneficial for the economic development of the region. In terms of economic growth and developments; China is now the second largest economic power in the World. A large number of scholars think that China will have to be involved in South and Southeast Asian countries for the mutual interest of the regions and hopefully will play an active role in implementing the various kinds of development projects in these regions. China's bilateral trade with Pakistan is also highly significant and is on second after India. China is investing massively in Pakistan on different projects i.e. Gwadar port, Mekran Highway, Saindak project electricity projects and development of Railway system. Currently, bilateral economic relations between China and Bangladesh are not in favor of Bangladesh. China is taking different measures for increasing trade relations and investing massively in industrial sector for boosting trade. Sri-Lanka is on third in term of trade with China and both countries concluded many pacts for the development of trade. For fast supply of goods banking sectors of both countries signed agreement on the construction of Colombo-Katunayake Express way (Haider Bukhari, Prof. Dr. Naudir, and July, 2013).

Bangladesh-China relations go back a long way. China has already made notable contribution to the infrastructural developments of Bangladesh. China is already the second largest economy of the world and has replaced Germany to become the largest exporter in the world. Apart from its global role, China is increasingly becoming a major player in the South Asian geopolitical affairs. Against this backdrop, Bangladesh has an opportunity to present itself as a major stakeholder in regional development and prosperity to China. We hope Sino-Bangladeshi economic and strategic relations bring both the countries closer and secure more Chinese investment and bilateral economic cooperation for our long-term

economic development (Khaled Iqbal Chowdhury, 2010). China is one of Bangladesh's largest trading partners and China's contribution to Bangladesh's infrastructural development is also noteworthy. China is a growing power and it is in Bangladesh's interest not only to maintain but also to further economic ties and other cooperative mechanisms with China.

Regional Connectivity between Bangladesh and China

Today, we are living in an age of connectivity. Connectivity not only opens the way to trade and commerce, but also plays a vital role in reinforcing relations among/between neighboring countries. In 2010, Bangladesh offered India the use of Chittagong port facilities to transport goods. The Joint Communiqué also noted that Bangladesh would offer similar facilities to Nepal and Bhutan if India granted transit permission to these two countries. Now, if we can connect with China through Myanmar, considering the magnitude of commercial prospects, Bangladesh could become a commercial hub of South- and South-East Asia. This will institute immense value to our economic growth. China's southwestern Yunnan province is nearer to Chittagong than it is to Shanghai or Beijing. Allowing China to link up with a Bangladeshi seaport would be a lucrative offer to China's booming commerce. While Yunnan has a ready infrastructure and the Myanmar part of the project is being built, Dhaka has to act fast to connect with the network. China also wants to develop a deep-sea port in Sonadia, Cox's Bazaar. As a result, Bangladesh's trade with China, Myanmar and also with India, Nepal and Bhutan will burgeon dramatically. Currently, Bangladesh has a massive trade deficit with two of its largest trading partners - China and India. Bangladesh in 2007 inked an agreement with Myanmar to construct a 25km-long road to connect the two countries. The project will eventually be expanded to link Bangladesh-Myanmar-China into a tri-national network. When Bangladesh's Foreign Minister Dipu Moni visited Myanmar last year, she reiterated that the envisaged road network would open up new avenues of expanded regional trade and commerce. This will benefit all the three countries concerned- China, Bangladesh and Myanmar (Khaled Iqbal Chowdhury, 2010). Recent reports suggest that discussions have been underway to

extend China's 'high-speed railway network' to 17 Asian and European countries along three routes.

These three routes are:

1. Kunming (Yunnan) - Myanmar – Singapore.
2. Xinjiang - Central Asian 'States' – Germany.
3. Liaoning - Russia – Europe (Khaled Iqbal Chowdhury, 2010)

If Bangladesh were able to link up with - or even get close to this new railway network from Cox's Bazar-Teknaf area, Bangladesh's trade and tourism prospects too would improve significantly. Bangladesh fashioned a 'Look East' policy shift over a decade ago. However, it has failed to substantively translate this policy into reality. Successful implementation of this policy could open up new vistas of trade, commerce, scientific, economic, educational technological and cultural collaboration with countries of South East Asia. Road and railway linkages with South-East Asia via Myanmar would establish new pathways for people, goods and ideas linking Bangladesh to the whole of the ASEAN-10 as well as China.

The current government of Bangladesh has laid out Vision 2021 to mark the golden jubilee of Bangladesh's independence. According to this 2021 vision, the government is committed to elevating Bangladesh to a middle-income country by 2021. The plan also envisages a Bangladesh with expanded road, rail, and river and air transport and telecommunication network. This is a noble vision but experts stress that it would require significant increases in micro-level job creation via macro-level generation of employment opportunities. It would require us to put in enormous effort to expand our existing infrastructural capacities- transport, energy and IT facilities- across the country. China has demonstrated its capacity and effectiveness in these sectors over the past two decades. China has not only built its own facilities, but also built cost-effective, energy-efficient installations in other developing countries like Myanmar, Cambodia, Laos and Vietnam.

Bangladesh needs to take advantage of this capacity. This is an area where Bangladesh government can seek and obtain assistance from China in helping to establish Resource and Development centers in Bangladesh, train Bangladeshi experts, transfer technology, and create Bangladesh's next generation of scientists for developing the country's scientific

skills-base and modernize its economy (Khaled Iqbal Chowdhury, 2010)

Tourism between Bangladesh and China

Bangladesh has immense potential for tourism and can offer its magnificent Cox's Bazar-Teknaf coastal belt as an unavoidable tourist destination to the world. Tourism potentials here are enormous but to attract steady flows of foreign tourists, it would require substantial investment in resources, planning sophistication, and technical expertise. China is not only able to provide the required support but China has also expressed its willingness to do so on many occasions. Cox's Bazar, with its longest uninterrupted natural beach in the world, can become the most favored tourist destination for the large middle classes with disposable incomes from southwestern Chinese provinces. Because of the advantage of proximity-compared to coastal resorts in south-eastern China, a well-developed Cox's Bazar would beat the competition hands down. If we can materialize this opportunity, a steady revenue flow could be ensured to boost Bangladesh's over all tourism sectors. All we need to do is to lay out a comprehensive 'Tourism Policy' and to initiate negotiations with the Chinese government in order to attract investment in this vital sector (Khaled Iqbal Chowdhury, 2010).

Trade and Investment between Bangladesh and China

There is a plethora of bilateral agreements between Dhaka and Beijing including, trade, soft loans, social contacts, cultural exchanges, academic interactions, infrastructure development and military sales. China is the largest supplier of military hardware to Bangladesh. Here I discuss the current state as well as emerging trends in Sino-Bangladesh relations - focusing on trade, investment, and infrastructure (M. Shahidul Islam, January, 22, 2012). Both China and Bangladesh witnessed marked increase in trade in recent decades: China's Trade-to-GDP ratio has exceeded 55% and that of Bangladesh's approaches 50%. China is Bangladesh's largest trading partner, with total trade exceeding \$7 billion in 2010.

However, the former remains a minor export destination for the latter. Beijing has offered duty-free access to 4,721 Bangladeshi products to address the growing trade imbalance. Nevertheless, massive structural shift in the Chinese economy is creating huge opportunities for Bangladesh. Beijing is

increasingly focusing on the development of high-end manufacturing and services. This is largely due to the rising wage cost in the coastal regions of China and appreciation of its currency. China's move towards a vertical economy has already created much room for Bangladesh, owing to its abundant supply of labor. In fact, Bangladesh is fast approaching Asia's apparel hub, and a recent McKinsey report indicates that the country's RMG exports will double by 2015 and nearly triple within a decade. While Beijing is offering some privileges to export Bangladeshi products to China, it shows significant promise to eventually become an ultra-market for Bangladeshi products, particularly RMG, given its sheer size (M. Shahidul Islam, January, 22, 2012). As far foreign direct investment (FDI) is concerned, China has become an important source of outward FDI in Asia and Africa, even in the West. There is also a significant Chinese investment in Bangladesh. But the scale can be much higher than the existing level.

In fact, according to the Board of Investment, a record 219 foreign investment projects registered with it in 2011, including a large number from China. While trade volume between China and Bangladesh continues to increase thanks to the latter's steady economic growth and the former's diversified exports basket, China's structural shift could rectify the Sino-Bangladesh trade imbalance to some extent. In fact, trade between Bangladesh and other Southeast and East Asian economies is also on the rise. So is the investment trend. However, when it comes to connectivity and infrastructure development, the state has to play a big role balancing the country's economic imperatives and geopolitical risks. Given the massive economic changes that are taking place in East Asia, centering China, Bangladesh should adopt to a de facto "Look East Policy" to bring itself closer to the new global center of economic gravity. Being landlocked, the Yunnan province of China seeks greater economic engagement with Bangladesh including access to the Bay of Bengal. Both Beijing and Dhaka have been negotiating a number of mega infrastructure projects, notably highway and railway networks, connecting Chittagong and Kunming through Myanmar. If the plan is eventually materialized, the Chittagong-Mandalay-Kunming highway offers another opportunity for Bangladesh in the Mekong sub-region (GMS), consisting of Cambodia, China

(Yunnan and Guangxi Zhuang), Lao PDR, Myanmar, Thailand, and Vietnam. China, ASEAN and Asian Development Bank (ADB) are spending big to develop infrastructure in the region. Geopolitics is a hurdle to connecting the dots between Bangladesh and China. Bangladesh, which is sandwiched between two rising giants China and India, has to address some geopolitical issues aligning with its long term interest. Beijing's massive infrastructure spending, particularly sea port development in South Asia and elsewhere in the world, has been seen, notably by its arch rivals India and United States. Nonetheless, owing to the highly polarized politics in Bangladesh, the two key political parties' skewed relationship with Beijing and New Delhi has been a barrier for the country to augment its physical connectivity with its South and East Asian neighbors. However, as discussed, economic dynamism in East and Southeast Asia, economic convergence in Asia and Bangladesh's aspiration for higher economic growth indicate that economic forces could triumph over geopolitics in the near future (M. Shahidul Islam, January, 22, 2012).

China wants to increase its investment in Bangladesh, especially in energy, agriculture and infrastructure development, a high-level Chinese delegation told Prime Minister Sheikh Hasina during a meeting yesterday. Li Changchun, a member of the standing committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, led the delegation. After the meeting, Dhaka and Beijing signed three instruments-an agreement; one MoU and framework accord-to boost cooperation in economic, power and financial assistance. Li offered Chinese assistance in the expansion of the Pagla Water Treatment Plant in Narayanganj during the meeting, PM's Press Secretary Abul Kalam Azad told journalists at the Prime Minister's Office. The premier welcomed the Chinese offer, and urged Beijing to import more from Bangladesh to bring about a balance in bilateral trade, Azad said. Hasina offered land in the special economic zones if the Chinese government relocates some of their industries to Bangladesh. The Chinese leader offered to double the number of scholarships for Bangladeshi students from the current 80 for higher studies. Li said his government would send language experts and academic materials for Bangladeshi students keen to learn the Chinese language (The Daily Star, October, 2012).

The Chinese Projects in Bangladesh

The foreign minister of Bangladesh, Dipu Moni requested China for early implementation of Kunming Initiative and sought Chinese support for construction of multi-lane tunnel under the river Karnaphuli, Sonadia deep-sea port and Dohazari-Cox Bazar railway link. The agreement on economic and technical cooperation was signed in 2013 by Economic Relations Division Secretary Iqbal Mahmood and Chinese vice Minister of Commerce Jiang Zengwei. The memorandum of understanding (MoU) on strengthening cooperation in the field of electricity was signed between the power, energy and mineral resources ministry of Bangladesh and commerce ministry of China. Power Division Secretary M Abul Kalam Azad and Chinese vice Minister Jiang Zengwei signed the MoU on behalf of their respective sides. A framework agreement on concessional loans to be provided by China to Bangladesh was signed by Iqbal Mahmood and Jiang Zengwei. Under the framework agreement, China will provide \$ 226 million to implement the Pagla Water Treatment Plant project of Dhaka Wasa (The Daily Star, October, 2012). Foreign Minister Dr Dipu Moni today told the Jatiya Sangsad (JS) that the government has been implementing six big projects, including Shahjalal Fertilizer Factory, with financial support from China.

Bangladesh constructed six friendly bridges with financial support from China. The two countries signed an agreement on January 3, 2012 to construct "7th China-Bangladesh Moitri Setu" on River Arial Kha, which is known as "Kazirtek Setu." China will give Tk 2.0 billion for Tk 2.75 billion project and Bangladesh will bear the remaining cost, she added. For implementation of Shahjalal Fertilizer Factory project, a concessional loan agreement for US\$ 235 million has already been signed with China's Export-Import Bank, she said, adding that a preferential buyer credit loan agreement for US\$325 million has also been signed. The minister said China has invested a total of US\$2.11 million in information communications and technology for introduction of 3G and expansion of 2.5G network. The Chinese government will also give Bangladesh a concessional loan of 2.0 million RMB for Padma Water Treatment Plant and Info Sarker, she said, adding that China is also giving Bangladesh financial support for implementation of Barapukuria Coal Mine Development Project and Barapukuria

coal-fired power plant. Dipu Moni said a proposal for construction of Bangladesh- China Friendly Exhibition Centre in Dhaka is now under consideration of China (the National News Agency of Bangladesh, Nov 7, 2013). China would like to provide financial support in communication, health, power, telecom and physical infrastructure for Bangladesh under its next five year plan. Meanwhile, the Chinese government has urged the Bangladesh government to send the name of the project to Beijing for inclusion in its five year plan beginning in 2015.

During the recent visit of Chinese Premier Li Keqiang to India from May 19 to May 22 this year, India and China proposed in their joint statement to establish a China-India-Myanmar-Bangladesh economic corridor, urging Bangladesh to serve as a bridge in the economic corridor (The Daily Independent, 20, October, 2013). According to Economic Relations Department (ERD), China may be bracing for structural slowdown in its 13th Five-Year Plan (2016-20) as the country's top economic planner starts its mid-stage assessment of the 12th Five-Year Plan (2011-15). The economic development guidelines for the five years from 2016 are seen as a key in determining whether the target of "establishing a moderately well-off and harmonious society" can be achieved by the end of 2020. The Chinese government has sought support of the government of Bangladesh in consolidating and promoting the gain of the Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM). Bangladesh has also assured full support for the Bangladesh China India Myanmar (BCIM) initiatives of the Chinese government to promote trade and connectivity, sources added. In South Asia, Bangladesh has become China's third largest trading partner, whereas China is the largest origin of Bangladesh's imports. According to statistics, the trade volume reached 8.45 billion USD in 2012 whereas only three years ago the figure was less than US\$ 3.0 billion (The Daily Independent, 20, October, 2013).

CONCLUSION

In conclusion, we can say that Japan is one of the richest countries in the world and important development partner of Bangladesh. She is the significant source of foreign aid to Bangladesh and a member of G-8 countries. Japan has some important political and economic goals in Bangladesh. It is an

important source of raw materials and trade partner of Japan and significant Place of investment. Japan and Bangladesh has been maintaining cordial relationships in an atmosphere of goodwill and cooperation during the last three decades and a half. This relationship is being strengthened and reinforced through bilateral relations between- the two countries (Rahman, Syed Ashrafur, 2005). Bangladesh admires China for its status as one of the world's fastest growing economies. The economic transformation has been so rapid that China is predicted by some to become the world's largest economy by 2050 with a GDP of \$44.4 trillion ahead of the US GDP of \$35 trillion. The resultant economic strength of China has created the impulse for a closer relation with South Asia. We are happy to see China's growing interest in forging economic and strategic partnerships in South Asia including Bangladesh. Trade and economic collaboration is a major potential area of cooperation. China is already one of the largest global production hubs while India is emerging as another one in respect of some goods and services. The other South Asian countries also possess significant advantage in some goods and services. However, it is essential for all the 'teammates in the economic field' to perform up to a certain level to sustain a mutually beneficial economic engagement cooperation (The Chinese Academy of Social Sciences, 2014). We should consider a greater collaboration among our educational institutions and centers of excellences to build on each other's competencies for mutual benefit. This is essential for our collective prosperity in a knowledge-based society in the era of globalization. We also believe that the establishment of Kunming-Chittagong road link via Myanmar will open up new vista of cooperation between Bangladesh and China. Our two governments have already agreed in principle to revive the existing road network, which can be made fully. Last December, a group of nine Chinese travelers from Kunming took the first ever trip along this route to revive a portion of the famous 'Southern Silk Route'. We believe reopening of a part of the old tri-nation road link between Bangladesh and China via Myanmar will facilitate further trade, business and tourism between Bangladesh and China cooperation. Having similarity of views on many of the international issues, Bangladesh and China have important roles to play for peace and development, both globally and regionally. We would like to

conclude by quoting an annalect of the ancient Chinese philosopher Confucius who when asked to give his view on forging friendships said, "There are three friendships which are advantageous, and three which are injurious. Friendship with the upright; friendship with the sincere; and friendship with the man of much observation: these are advantageous. Friendship with the man of specious airs; friendship with the insinuatingly soft; and friendship with the glib-tongued: these are injurious." Our perception of Bangladesh-China friendship is on track with the wisdom of Confucius cooperation (The Chinese Academy of Social Sciences, 2014).

ACKNOWLEDGEMENT

This study was supported with proper guidance and help in the Dept. of Political Science, University of Chittagong, Bangladesh. Heartiest thanks to the co-authors for helping us to conduct the research work.

CONFLICTS OF INTEREST

The author (s) declared no potential conflicts of the interest with respect to the research work.

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Citation: Ahamed A, Sikdar MM, and Shirin S. (2019). Bangladesh-East Asia Relations in the Context of Bangladesh's Look East Policy. *British J. of Arts and Humanities*, 1 (4), 1-13.
<https://doi.org/10.34104/bjah.019.0113>