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THE RECURRENCE OF SECURITY CHALLENGES IN CHITTAGONG HILL TRACTS (CHT): EXPLORING ROOT CAUSES

Abstract

The Chittagong Hill Tracts (CHT) in Bangladesh have long been plagued by recurring security challenges which have deep historical roots and continue to complicate the region's stability. This paper explores the underlying causes of these persistent security issues by examining socio-political, historical, and economic factors. A comprehensive understanding of the region's security dynamics requires a retrospective analysis of root causes. Using a qualitative research approach, the paper draws on James C. Scott's work on hill demography and applies it to the context of CHT. The analysis identifies five key factors contributing to the recurrence of security challenges in the region: the unique political characteristics of CHT, identity-based politics, the complexities surrounding land disputes, policy failures, and the influence of broader geopolitical dynamics. By synthesising these elements, the paper offers a framework for understanding the drivers of instability in CHT. Based on these findings, it concludes with policy recommendations aimed at addressing the root causes of security challenges for fostering long-term peace and stability in the region.

Keywords: Chittagong Hill Tracts (CHT), Security Challenges, National Security, Identity Politics, Hill Demography

1. Introduction

The Chittagong Hill Tracts (CHT) is located in a strategically significant position in the Southeastern part of Bangladesh. Comprising mostly hilly areas, the area covers 10 per cent of Bangladesh's total land area occupying 5,093 square miles (sq mi). The three districts of CHT– Bandarban, Khagrachari and Rangamati host thirteen ethnic groups namely Chakmas, Marmas, Tripura, Khumis, Mro, Murang, Lushai, Bawm, Pankhos, Kukis, Tanchangya, Chak, and Riang.¹ The area is ethnically and culturally very diverse and has land boundaries with the neighbouring countries of Bangladesh

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¹ Amena Mohsin, "The Chittagong Hill Tracts, Bangladesh," in *The Emergence of Bangladesh: Interdisciplinary Perspectives*, eds. Habibul Khondker, Olav Muurlink and Asif Bin Ali (Singapore: Springer Nature Singapore, 2022), 251–258.

– India and Myanmar. CHT had been under the British colonial administration, subsequently the Pakistan Government and now the Government of Bangladesh (GoB) administers the area. It went through a two-and-a-half-decades-long armed insurgency starting a few years after the birth of Bangladesh. The insurgency ended formally with the signing of the CHT Peace Accord in 1997 between the GoB and the Parbattya Chattogram Jana Samhati Samity (PCJSS also known as JSS), the tribal political body that carried out the political and armed movement for autonomy. However, peace has somewhat always been elusive in this remote area as there are deep-rooted fault lines that generate the recurrence of security challenges.

It is noticeable that there are deep interlinkages between the historically situated security problems and the contemporary security challenges in the CHT. The decades-long armed insurgency was followed by mistrust within the society, intra-communal and inter-communal violence and armed insurgency. In the contemporary context, the manifold security challenges in the CHT include armed insurgency against security agencies and among ethnic armed groups, killings, abductions, extortions, arms smuggling, narcotics smuggling, etc. Most of the tribal political parties like JSS, JSS (reformist), United People's Democratic Front (UPDF main) and UPDF (democratic) have their armed wings and there are also other armed groups whose activities have been recurring in contemporary times like Marma National Party (MNP) and Kuki-Chin National Front (KNF).² In the first quarter of 2024, KNF staged a bank robbery in Bandarban and a joint operation was launched afterwards to mitigate its influence.³ In addition to this, the deep-rooted societal division has surfaced in recent times through violent clashes between small ethnic minority groups and Bengali community.⁴ The CHT has been subject to the recurrence of security challenges for a long period. This paper, therefore, is an attempt to decipher the root causes for this recurrence through an analytical framework which is primarily based on some metanarratives.⁵

Studies on CHT in different times are focused on a wide range of issues and the literature on this particular subject matter is not scarce. However, a closer review of these literature expose the innate biases of some research works. In social science research, it is impossible to generate value-free works since the perspectives are not devoid of the researchers' personal biases. But in the case of CHT studies, the bias is

² Interview with a senior journalist on CHT Affairs, September 2024.

³ "Army leading joint operation against KNF," *The Daily Star*, April 08, 2024.

⁴ "CHT clashes leave 4 dead, over 50 injured; section 144 imposed," *The Business Standard*, September 21, 2024.

⁵ "Metanarratives," ScienceDirect, 2012, <https://www.sciencedirect.com/topics/computer-science/metanarratives#:~:text=Metanarratives%20are%20overarching%20explanations%20or,the%20field%20of%20Computer%20Science>.

often blatant. However, there have been some phenomenal and pioneering works on CHT that surfaced the intricate complexities of this area in terms of its demography, culture, society, economy, etc. Some of the pioneering works were designed to introduce the complex CHT issues to the readers and they focused on various aspects like historical narratives⁶, genealogy of ethnic identity⁷, armed insurgency⁸, politics of identity⁹, political analysis of conflict¹⁰, politics of development,¹¹ etc. In addition to the aforementioned literature, specific issue-based literature like the analysis of peace accord¹², post-conflict peacebuilding dynamism¹³, gender-based violence¹⁴, community-based intervention¹⁵, land rights,¹⁶ etc. are key resources for a holistic analysis of security challenges in the CHT. The analysis of the causes of recurrent security problems in this area revolves around deciphering the different dynamics and impacts that the British, Pakistan and Bangladesh periods have on CHT. Different researchers prioritise different issues prevalent during those periods. However, there is a gap in understanding the political reasons for conflicts in CHT which would connect political issues beyond state borders. This would interweave every historical dimension and present the interlinkages among some metanarratives that explain the recurrence of security problems in hilly areas like CHT.

Against this backdrop, this paper aims to introduce a metanarrative designed to decipher the root causes of the persistence of security challenges in the CHT. It is an

⁶ Mizanur Rahman Shelley, *The Chittagong Hill Tracts of Bangladesh: The Untold Story* (Dhaka: CDRB, 1992); Khaled Belal, Mirza Zillur Rahman and G. M. Masbah Uddin, *The Chittagong Hill Tracts: Falconry in the Hills* (Chittagong: CODEC, 1992).

⁷ S. P. Talukdar, *Chakmas: An Embattled Tribe* (New Delhi: Uppal Publishing House, 1994).

⁸ Jugdep S Chima, *Ethnic Subnationalist Insurgencies in South Asia* (London: Taylor & Francis, 2015).

⁹ Amena Mohsin, *The Politics of Nationalism: The Case of the Chittagong Hill Tracts Bangladesh* (Dhaka: University Press Limited, 1997); Nasir Uddin, "Politics of cultural difference: Identity and marginality in the Chittagong hill tracts of Bangladesh," *South Asian Survey* 17, no. 2 (2010): 283–294.

¹⁰ Syed Anwar Hussain, *War and Peace in the Chittagong Hill Tracts: Retrospect and Prospect* (Dhaka: Agamee Prakashani, 1999).

¹¹ Zobaida Nasreen and Masahiko Togawa, "Politics of Development: 'Pahari-Bengali' Discourse in the Chittagong Hill Tracts," *Journal of International Development and Cooperation* 9, no. 1 (2002): 97–112.

¹² Sajib Bala, *Politics of Peace Agreement Implementation: A Case Study of the Chittagong Hill Tracts (CHT) in Bangladesh* (Singapore: Springer Nature, 2022).

¹³ Rafiqul Islam, Susanne Schech and Udoy Saikia, "Violent peace: community relations in the Chittagong Hill Tracts (CHT) in Bangladesh after the Peace Accord," *Conflict, Security & Development* 22, no. 3 (2022): 271–295.

¹⁴ Zobaida Nasreen, *The Indigeneity Question: State Violence, Forced Displacement and Women's Narratives in the Chittagong Hill Tracts of Bangladesh* (PhD dissertation, Durham University, 2017).

¹⁵ Mizanur Rahman Shelley, "Socioeconomic status and development of Chittagong Hill Tracts (CHT) of Bangladesh: An Overview" (Paper presented at the International Conference on Growth, Poverty Alleviation, and Sustainable Resource Management in the Mountain Areas of South Asia, Kathmandu, 2000), 107–136, https://lib.icimod.org/record/23170/files/c_attachment_213_3024.pdf.

¹⁶ Abul Barakat, Sadeka Halim, Asmer Osman, Ismail Hossain and Manjuma Ahsan, *Status and Dynamics of Land Rights, Land Use and Population in Chittagong Hill Tracts of Bangladesh* (Dhaka: Human Development Research Centre, 2010); Gopal B Thapa and Golam Rasul, "Implications of changing national policies on land use in the Chittagong Hill Tracts of Bangladesh," *Journal of Environmental Management* 81, no. 4 (2006): 441–453.

academic endeavour to answer two fundamental research questions: What are the socio-political, historical, and economic factors contributing to the recurrent security challenges in the CHT, and how do they interact to perpetuate instability in the region? In order to answer these queries, it introduces the applicability of James C. Scott's seminal work¹⁷ on hill demography in the context of CHT. The framework will unearth the underlying political characteristic of a hilly area like CHT which is interwoven with the contemporary political and security dynamics in the area. It has been argued in the paper that a combination of five issues contributes to the persistence of security challenges in CHT—innate political characteristics of CHT, politics of identity, complicated land issues, policy failure and geopolitical dynamics. This paper has mostly focused on the non-traditional security challenges in CHT. However, the scope of the paper also extends to the blurring space between traditional and non-traditional security challenges. Based on the findings through the framework, the paper has suggested some policy suggestions aimed at addressing the root causes of instability in CHT.

The methodology employed in this paper is primarily qualitative, grounded in an interpretive research approach. This approach is well-suited for exploring complex social phenomena, such as the recurrence of security challenges in the CHT, where understanding the perspectives, experiences, and interpretations of key stakeholders is essential. To gather data, the study utilises two primary methods of data collection: key informant interviews (KIIs) and secondary literature review. Primary data were collected through semi-structured interviews with a select group of KIIs who have extensive knowledge and expertise on the region's socio-political and security dynamics. These participants included veteran academicians, journalists with in-depth coverage of CHT, political leaders of ethnic minority groups, and researchers who specialise in the region. Additionally, practitioners involved in conflict resolution mechanisms and peace-building efforts in the CHT were interviewed to gain insights from those directly engaged in addressing security issues. The selection of KII respondents was purposive, ensuring that each individual had a deep understanding of the historical, political, and socio-economic factors shaping the region's security challenges. Semi-structured interview questionnaire were developed, allowing for flexible and open-ended discussions while ensuring key areas of inquiry were addressed. This method enabled the collection of rich, detailed data from respondents, capturing their views on the root causes of instability in CHT.

¹⁷ James C. Scott, *The Art of Not Being Governed: An Anarchist History of Upland Southeast Asia* (Connecticut: Yale University Press, 2010).

For secondary data, the paper reviewed a wide array of literature to build a comprehensive understanding of the context and background of the security challenges in CHT. These literature included academic books, journal articles, dissertations, monographs, and opinion pieces, as well as news articles and reports from both local and international sources. The literature review provided a foundation for understanding the historical and contemporary issues at play in CHT and helped identify gaps in existing research. By triangulating data from the KIIs with secondary data from diverse sources, this paper seeks to offer a more nuanced understanding of the recurring security problems in the CHT and their underlying causes. In summary, the combination of qualitative data from key informants and secondary data from a wide range of literature allows for a thorough exploration of the factors contributing to the recurrent security challenges in CHT. The interpretive approach ensures that the study remains focused on the perspectives and experiences of those who are directly involved in or affected by the issues in the region.

The paper has nine sections of which five sections are dedicated to analyse the five dynamics of the analytical framework in order to explain the recurrence of security challenges in CHT in a comprehensive manner. Before that, the analytical framework has been introduced in the second section which is right after the introductory part. The third section sheds light on the political uniqueness of CHT by conceptualising the area as a historical shatter zone or zone of refuge. The fourth section analyses the multifaceted identity politics by both state and non-state actors in the CHT. The fifth segment appraises the complexities of longstanding land rights issues in CHT which might not be solved in the foreseeable future leading to security problems in the area. The sixth section analyses the implications of policy failures in CHT by focusing on the peace accord and its aftermath. The seventh section highlights the geopolitical interests of external actors in CHT. Before drawing conclusion in the ninth section, the paper provides some policy suggestions in the eighth section in order to address the longstanding security challenges in CHT.

2. Understanding Root Causes of Security Challenges in CHT: Towards a Holistic Analytical Framework

The social, political and economic attributes of hilly regions are not the same as valleys or plainlands. Therefore, studying security challenges in a hilly region requires a transborder understanding of the contributing factors. However, transborder attributes are often defined in terms of social factors like shared ethnic roots rather than political and economic ones. The aspects of shared attributes across the border in this region were identified by Willem van Schendel who gave the name ‘Zomia’ to

the area of concern.¹⁸ The term was derived from ‘Zomi’ which refers to people speaking Chin, Mizo, and Kuki languages in countries such as Myanmar, India, and Bangladesh. Linguists categorise these languages as part of the extensive Tibeto-Burman language family, which is spoken across Zomia encompassing a wide geographical area, including Kashmir, North India, Nepal, Tibet, Sikkim, Bhutan, Northeast India, the CHT in Bangladesh, Myanmar, Yunnan, and Sichuan in China, as well as Thailand, Laos, and Vietnam.¹⁹ The manifold shared attributes identified were language affinities, religious commonalities, cultural traits, ancient trade networks, and ecological conditions. The idea of Zomia was taken by James C. Scott as a matter of anthropological study in this concerned space.²⁰ Unlike Schendel’s wider definition of Zomia, the territorial boundary of Scott’s study is confined within hilly areas eastward, beginning with the Naga and Mizo hills of Northeast India and the CHT of Bangladesh. It incorporates a vast mountainous realm on the marches of mainland Southeast Asia, China, India, and Bangladesh.²¹

While the geographical scope of the study is relevant to the case of CHT, Scott’s thesis is pertinent to understanding the security challenges in CHT. His thesis posits that the inhabitants of this Zomia region had not entirely been integrated into the structure of the modern nation-state. Rather, this region is geographically positioned at the periphery of nation-states which are generally very remote and inaccessible. This makes the region a zone of refuge for people who have migrated from the lowlands to escape the governance of the state. Henceforth, this region is characterised as a historical epitome of resistance against the state’s governance system. It includes resistance against classical, colonial and modern nation-states. In this regard, every aspect of the people of this region resembles political choices to keep the state at arm’s length. Most of their traits and culture are often perceived as primitive, but Scott’s thesis established a new paradigm in area studies by identifying the political nature of the chosen lifestyle of these people. Modern state formation predominantly relies upon the concentration of the population and their legible and taxable activities for which sedentary agricultural practices hold significant value. In contrast, the people of Zomia resemble scattered presence in rugged terrains with swiddening or slash-and-burn agricultural practices which enable them to maintain a distance from the state’s traditional practices like taxation, conscription, forced labour, etc. The shifting agricultural practices of growing root crops make their

¹⁸ Willem van Schendel, “Geographies of Knowing, Geographies of Ignorance: Jumping Scale in Southeast Asia,” *Environment and Planning D: Society and Space* 20, no. 6 (2002): 647–68, <https://doi.org/10.1068/d16s>.

¹⁹ Schendel, “Geographies of Knowing,” 653.

²⁰ Scott, *The Art of Not Being Governed*.

²¹ Jean Michaud, Margaret Byrne Swain and Meenaxi Barkataki-Ruscheweyh, *Historical Dictionary of the Peoples of the Southeast Asian Massif* (Maryland: Rowman & Littlefield, 2016).

economic activities out of the scope of legible and taxable ones. In contrast to viewing these practices as primitive and environmentally destructive, Scott perceives these as political choices resembling the traits of escape-agriculture which is challenging for the state to monitor and make it taxable. Another state-evading technique is the predominance of oral culture which helps them maintain the ethno-social history and culture flexible and out of reach for state documentation activities.

The mountainous area of Zomia is regarded as a shatter zone where people moved to over hundreds of years. What unites them is their shared attempt to flee and escape from the reach of state governance and they encounter each other in this hilly region at different periods of times of history. This makes the region ethnically and linguistically very complex and diverse with minimal political unity among these diverse groups. During the colonial period, the classical divide-and-rule policy was applied to ensure the political and cultural autonomy of the hill region. The separate administered hill zones were devised by the European colonisers to obscure the resentful movements against colonial rule in the lowlands. One of the major implications of this policy was little or no contribution of the hill people in the anti-colonial resistance.

The thesis of Scott, in this aspect, is particularly important to understand the recurrence of security challenges in the CHT as it exposes some innate governance challenges which have been complicated with the addition of newer problems over the years. The CHT has been subject to administrative rule under the Pakistan government after the partition and subsequently under the independent state of Bangladesh in 1971. Therefore, the area has gone through the administrative structure of classical, colonial and modern nation-states. After the independence, Bangladesh's political elites faced deep-rooted political problems in this area, and it quickly escalated into years-long conflict. The armed insurgency formally ended with the signing of a Peace Accord in 1997. But it was followed by division among the local political entities and the implementation of the Accord still remains a major challenge. One of the fundamental difficulties in ensuring a peaceful CHT is solving the complicated land issue to which layers of complexities have been added each year. Policy failures in the post-accord period have also complicated the socio-political dynamics of CHT. The politics of identity is another sensitive issue which fuel the security challenges in every layer of the society. Moreover, the political conflict among the ethnic groups has been a deep-rooted cause of continuance of the volatility in CHT which has taken the forms of killing, abduction, arms proliferation, narcotics smuggling, extortion, etc.

On top of these issues, CHT stands at a crossroad of diverging geopolitical interests of external powers which influence the trajectory of existing security challenges. Non-government and transnational actors are also deeply involved in the development activities and their footprints shape the situation in CHT. In order to develop an analytical framework to understand the deep-rooted security problems in CHT, Scott's thesis about the political lifestyle of the highlander people of Zomia is a good starting point. Although Scott acknowledged the limitation of applying his thesis in the post-1950s context, his notion is important to provide answers to identify the root causes of most of the puzzling security concerns in CHT. Nevertheless, the security context of CHT has evolved over the years and newer dimensions have been added to the complicated dynamics of this area. These evolving dynamics are also of paramount significance to understand the underlying causes of recurrence of the surety problems in the CHT over the years. This paper, thus, is an attempt to develop an interlinked framework to understand the recurrence of security challenges in CHT. In addition to deciphering the innate political characteristics of CHT based on Scott's thesis, the framework focuses on issues like politics of identity and marginalisation, complicated land issues, policy implementation failure and complex geopolitical dynamics.

3. Contextualising CHT as a Historical Shatter Zone

Applying Scott's thesis on Zomia, the CHT can be considered as a shatter zone where different ethnic groups migrated to this hilly area and bumped into each other over the course of history. Among the ethnic minority groups living in the CHT, the Chakmas represent the largest one.²² There are different historical interpretations of their historical trajectory as an ethnic group. One account of the narrative identifies them as descendants of emigrants who migrated to this part during the period of the Arakanese king.²³ Another historical account of the Chakmas portray that one of their ancient rulers launched expeditions to the Chittagong and Arakan area and left the area after a while but entered Chittagong again in the 14th century.²⁴ The reason for their migrations tended to be insecurity of their lives and properties.²⁵ The second largest small ethnic group in CHT is the Marmas who have often erroneously been

²² Sayed Ibn Rahmat, "Population Census 2022: A CHT demographic analysis," *Parbatta News*, September 19, 2022, <https://en.parbattanews.com/population-census-2022-a-cht-demographic-analysis/>.

²³ R. H. Sneyd Hutchinson, *An Account of the Chittagong Hill Tracts* (Calcutta: The Bengal Secretariat Book Depot, 1906).

²⁴ Biraj Mohan Dewan, *Chakma Jatir Itibritta* (Rangamati: Gazi Prakashani, 1969), 14.

²⁵ Aftab Ahmed, "Ethnicity and insurgency in the Chittagong Hill Tracts Region: A study of the crisis of political integration in Bangladesh," *The Journal of Commonwealth & Comparative Politics* 31, no. 3 (1993): 32–66, DOI: 10.1080/14662049308447665.

called as Maghs/Moghs. Their arrival to this area was recorded in the 18th century when the Burmese king invaded Arakan and forced the inhabitants to migrate to the neighbouring region.²⁶ The third largest group is the Tripuras whose original inhabitants were in the State of Tripura of India from where their King Govinda Manikya migrated to this area in 1661.²⁷

The small ethnic groups residing in the present-day CHT had all come and encountered each other at different times and in distinct areas of CHT making it rich in terms of cultural and linguistic diversity. However, in order to decipher the fundamental reasons for the recurrence of security challenges in this area, it is necessary to shed light on the political implications of CHT being a zone of refuge for small ethnic groups. According to Scott, the only thing that unites a shatter zone/zone of refuge is the inhabitants' migration from different places to this hilly area. One major implication of this is the lack of political unity among the groups which is persistent till date. There is hardly anything organic that can unite them politically. Resistance against state authority can be transformed into a united political front for a brief period of time, but the deep-rooted faultlines are bound to be surfaced. After the signing of the historic Peace Accord in 1997, inter-communal and intra-communal violences have increased significantly. Immediately after the signing of the accord with JSS, an anti accord political group named UPDF emerged and it has been gaining important political footprint since then.²⁸ Since 1998, the conflict between these two political groups has become regular in the local political landscape, leading to continuous violence and more polarisation.²⁹ Two new factions emerged as JSS (reformist) in 2007 and UPDF (democratic) in 2017. These local political groups needed funds to run and sustain their organisations. Therefore, they became gradually involved in supporting their armed wings that engaged in carrying out violent activities such as extortion, abduction, armed violence, etc.³⁰ JSS blames the proliferation of arms in the post accord era on the formation of UPDF and its activities.³¹

Another political characteristic of the inhabitants of a shatter zone is their preference to maintain autonomy to a varying degree in different contexts. During the British colonial era, the CHT was regarded as an autonomously administered area

²⁶ Zainal Abedin, *Chittagong Hill Tracts: In Search of Reality* (Dhaka: Book Museum, 1997).

²⁷ Abedin, *Chittagong Hill Tracts*, 50.

²⁸ Interview with a retired General of Bangladesh Army, October 2024.

²⁹ Muhammad Ala Uddin, "Continuing Conflict-Critical Transition to Peace in the Post-Conflict Southeastern Bangladesh," *Anthropos* 112, no. 1 (2017): 63–74.

³⁰ "Interview of UPDF spokesperson," *Jamuna TV*, October 06, 2024, <https://www.youtube.com/watch?v=TrlcCOMKMLc>.

³¹ Interview with a JSS leader, November 2024.

under the Chittagong Hill Tracts Regulation 1900.³² The Government of India Act of 1935 also designated the area as a ‘totally excluded area’ under which the people of this area were given relative autonomy and ruled by their tribal chiefs administered by the central government.³³ However, a critical examination of the narrative of colonial protective measures for the inhabitants of the CHT exposes its fallacies. The myths of colonial protection are designed to portray safeguarding the local people against three actors – external invasion, Bengali groups’ domination and oppressive tribal chiefs.³⁴ A closer examination reveals that these protective rhetoric measures were actually designed to serve the economic and military interests of the colonial rulers which further exacerbated the socio-political complexities among the different ethnic groups. After the partition of 1947, CHT became part of Pakistan in spite of the desire of many of the leaders of CHT to be part of India.³⁵ In the constitution of 1956, the area regained the status of an excluded area, but an amendment to the constitution in 1963 repealed this status of CHT and designated it as a ‘tribal area’.³⁶ During the Pakistan period, several government policies and activities like building of a hydroelectric dam at the heart of CHT causing forced migration to a greater extent jeopardised the demographic and social dynamics of this area. The people and political leaders of this shatter zone in this part of the subcontinent realised the perils of being under the governance of a modern nation-state. Therefore, after the emergence of a new independent county named Bangladesh, CHT leaders rushed to demand some political measures – autonomous region having its own legislature, protective measures similar to the 1900 CHT Regulations, the continuance of the offices of tribal Rajas, and prohibition of any constitutional amendment or change related to CHT.³⁷

The challenges to govern a shatter zone like the CHT surfaced in the context of both colonial and independent nation-states. The innate lack of political unity and rich

³² Pranab Kumar Panday and Ishtiaq Jamil. “Conflict in the Chittagong Hill Tracts of Bangladesh: An Unimplemented Accord and Continued Violence,” *Asian Survey* 49, no. 6 (2009): 1052–1070.

³³ Eleanor Dictaan-Bang-oa, “In Search for Peace in the Chittagong Hill Tracts of Bangladesh,” in *Beyond the Silencing of the Guns*, eds. Chandra K. Roy, Victoria Tauli-Corpuz and Amanda Romero-Medina (Baguio City: Teetebba Foundation, 2004).

³⁴ Mohammad Shahabuddin, “The Myth of Colonial ‘Protection’ of Indigenous Peoples: The Case of the Chittagong Hill Tracts under British rule,” *International Journal on Minority and Group Rights* 25, no. 2 (2018): 210–235.

³⁵ Md Nazmul Hasan Chowdhury, “The Resistance Movement in the Chittagong Hill Tracts: Global and Regional Connections,” *Asian Affairs* 28, no. 4 (2006): 36–51.

³⁶ R. Ramasubramanian, “Elusive Peace in the Chittagong Hill Tracts: A Background,” *South Asia Analysis Group*, no. 1540 (2005), <http://www.saag.org/papers16/paper1540.htm>.

³⁷ Maher Islam, “Parbattya Chattogram e Senabahini O Bangali Keno Elo?” *Parbatta News*, July 04, 2018, <https://www.parbattanews.com/%E0%A6%AA%E0%A6%BE%E0%A6%B0%E0%A7%8D%E0%A6%AC%E0%A6%A4%E0%A7%8D%E0%A6%AF%E0%A6%9A%E0%A6%9F%E0%A7%8D%E0%A6%9F%E0%A6%97%E0%A7%8D%E0%A6%B0%E0%A6%BE%E0%A6%AE%E0%A7%87%E0%A6%B8%E0%A7%87%E0%A6%A8-6/>.

cultural diversity pose significant governance challenges for a nation-state. The process of integrating the inhabitants of a shatter zone is a mammoth task which might not be a total success in most cases due to the embedded resistant political culture. However, identifying the challenges and political uniqueness of this hilly area is the foremost task for any state authority. Failing to identify these unique traits is the first mistake which would put the policy perspective into a cycle of erroneous decisions exacerbating the security challenges. The CHT is a classic example of this policy dilemma where internal incompetence made it easier for external actors to implement their vested interests. The first misstep in identifying the uniqueness of this area was followed by a series of policies that failed to generate social, economic and cultural integration of the people of CHT. The area was marred by years-long conflict leading to deeply rooted mistrust in the society. The Accord that saw the formal ending of the conflict in 1997 also failed to reflect the unique political and security dynamics of this area. On top of that, the newly established institutions developed through the framework of the accord failed to generate social and economic capital for the inhabitants of this area. Since there is a lack of innate political unity among the ethnic groups, the source of integration into a nationalistic paradigm has to be a state. Failing to do so has made the area a victim of chronic problems for the national security of Bangladesh. However, the challenges are not similar to what Scott predicted for a shatter zone as the area has gone through years of interaction with the governance structure of a nation-state. Therefore, the local political elites have their own mechanisms to exploit the loopholes of state apparatus and much of the complexities of the problems are deeply entrenched within the state's own dynamics. Nevertheless, Scott's idea of a shatter zone is a first step to realise the present-day security challenges in CHT. Hence, understanding the linkage between historically situated dynamics and the current one is important.

4. Politics of Identity and Marginality

In a remote area like CHT where innate governance challenges exist and the demography is diverse, the endmost thing it needed was the imposition of an identity completely different from the ethnic identity of the people living there. This is exactly what happened after the emergence of Bangladesh as an independent country. The four-point demand presented by Manabendra Narayan Larma (also known as M N Larma) was rejected by the then Prime Minister of Bangladesh with advice of assimilation with the Bengali nationalist identity.³⁸ He even went on to threaten to

³⁸ Amena Mohsin, *The Chittagong Hill Tracts, Bangladesh: On the Difficult Road to Peace* (Boulder: Lynne Rienner, 2003), 22.

marginalise the ethnic groups by sending Bengali people to the CHT.³⁹ The outright rejection and humiliation by the Bangladeshi political elites led to the formation of PCJSS on March 07, 1972, to secure the distinct identity of the ethnic groups. Afterwards, the constitution of Bangladesh was drafted, which defined the basis of national identity in terms of Bengali nationalism.⁴⁰ In response, M N Larma gave an emphatic speech by pointing out that the hill people can never become Bengali.⁴¹ The political elites of Bangladesh continued to ignore the demands of PCJSS and humiliate their claims. The then Prime Minister even talked about giving the hill people a promoted identity called Bengali.⁴² This implies that the claimed identity is below the Bengali national identity and it referred to the hill peoples' identity as derogatory.

Over time, this politics of identity and marginality in the CHT further aggravated the ethnic political entities and they got engaged in an armed insurgency against the state that spanned over two decades. Identity politics run at the heart of formulating political narratives that help a political group to spearhead its ideology among its potential supporters. PCJSS also realised that they required a unifying political identity to rally people behind their political and armed struggle against the state. By the mid-1980s, they attempted to unify the diverse ethnic populations of CHT under the umbrella of Jumma nationalism. This nationalistic identity has its roots in the jhum cultivation practices and it sheds light on the multi-layered distinctiveness of the hill people. Although it is claimed to be a projection of a demand for a separate nationhood instead of statehood⁴³, the desire for the latter is often explicit.⁴⁴ This nationalistic identity suffered from ideological weaknesses as well as inadequate external support from India as the latter is aware of the ramifications in its Northeastern part.⁴⁵ The insurgency in the name of Jumma nationalism also lacks comparative mass appeal as the ethnic groups' distinct identity has been signified more than the colonial and Pakistani administrations.⁴⁶ Moreover, the identity was predominantly formulated by the Chakmas and other smaller groups preferred sticking to their own generic names. The differentiated identity has even been transformed into a contemporary armed struggle by KNF who demanded a separate administrative zone called Kuki-Chin

³⁹ Mohsin, *The Politics of Nationalism*, 58.

⁴⁰ *Constitution of the People's Republic of Bangladesh* (Dhaka: Ministry of Law, 1972), 5.

⁴¹ Quoted in Mohsin, *The Politics of Nationalism*, 62.

⁴² Quoted in Mohsin, *The Politics of Nationalism*, 62.

⁴³ Mohsin, *The Chittagong Hill Tracts, Bangladesh: On the Difficult Road to Peace*, 35.

⁴⁴ Interview with a JSS leader, November 2024.

⁴⁵ Interview with a JSS leader, November 2024.

⁴⁶ Caf Dowlah, "Jumma Insurgency in Chittagong Hills Tracts: How Serious is the Threat to Bangladesh's National Integration and What Can be Done?" *Small Wars & Insurgencies* 24, no. 5 (2013): 773–794, DOI: 10.1080/09592318.2013.866419.

Territorial Council (KTC) comprising seven upazillas of CHT.⁴⁷ Their grievances are mostly targeted against the Chakmas and JSS who are blamed for their socio-economic and socio-political marginalisation. Given the paucity of political unity in CHT and the absence of any ideological front, it is not unexpected that more political factions supported by their armed wings might surface in the suture. In addition to KNF, the Marma National Party (MNP) has also threatened to wage an armed struggle against JSS.⁴⁸

Another identity contestation that has not been turned into an armed struggle but has been going on for quite some time is the small ethnic groups' claim to be recognised as the indigenous people of CHT. The CHT being a zone of refuge for diverse ethnic groups, this claim is factually and historically not accurate. In fact, it is mostly applicable to all the hill people in the imagined land of Zomia as Scott labelled it as misleading to assume that the colonisers encountered indigenous people in this area.⁴⁹ The politics of indigenous identity has much to do with the UN Declaration on the Rights of Indigenous People 2007, which provides special rights to their self-determination and self-governance.⁵⁰ This has serious political implications for the national security of Bangladesh and interestingly the claim of identifying as indigenous people of CHT has become more prominent since 2008. Therefore, the politics of identity cannot be solely implied on the national political elites of Bangladesh, rather, in the absence of any unifying political identity, the ethnic political entities of CHT have also been playing this identity card to augment the vested political interest of different groups which marginalises other ethnic groups.

5. Politics of Land Rights

The issue of contested land rights is probably the most complicated and sensitive issue of CHT which contributes to the formulation of complicated security challenges in this area. There is a fundamental difference between the idea of land ownership of the people of the ethnic minority groups and the prevalent idea of land ownership in a modern nation-state. Contrary to private ownership, they consider land to be communal property owned by the community, kinship groups and sometimes divine ancestral spirits where the individual families are believed to only have the right to usufruct.⁵¹ This idea of land ownership also reflects their agricultural practices of

⁴⁷ Kuki-Chin National Front, *Kuki-Chin Demands to the Government of the People's Republic of Bangladesh* (Chittagong Hill Tracts: KNF, 2023).

⁴⁸ "MNP threatens war against JSS in Chittagong Hill Tracts," *Parbatta News*, January 27, 2024, <https://en.parbattanews.com/mnp-threatens-war-against-jss-in-chittagong-hill-tracts/>.

⁴⁹ Scott, *The Art of not Being Governed*, 143–144.

⁵⁰ United Nations, *United Nations Declaration on the Rights of Indigenous Peoples* (New York: UN, 2007).

⁵¹ Mohsin, *The Chittagong Hill Tracts, Bangladesh: On the Difficult Road to Peace*, 29.

slash and burn where new lands are required for cultivating root crops at regular intervals. The process of altering this traditional thinking of land ownership started during the colonial era in 1868 when two types of land tenure were introduced in this area – private rights and usufruct. Intending to change the practice of shifting agriculture to plough cultivation, private rights were given to people who would take the latter option. Regarding land matters, the Deputy Commissioner was endowed with absolute power.⁵² The colonial attempt to alter the agricultural practices resulted in socio-economic division in CHT. Ethnic groups like Mrung, Bawm, Pankho, Khumi, etc. who lived in the ridgetops suffered due to the loss of forest lands to the state's Reserve Forest classification, while groups like the Chakma and Marma who adopted the plough cultivation in the valley areas did better in terms of socio-economic development.⁵³ This socio-economic division was reflected in the political representation in signing the Peace Accord as well as the present-day scenario. One of the major grievances of armed groups like KNF, who claims to represent the demands of those suffered groups, is against the socio-political supremacy of the Chakma and Marma people.⁵⁴

During the Pakistan period, land rights were further jeopardised with the building of a hydro-electric dam causing massive displacement. The government's decision to implement gradual industrialisation with the findings from the USAID created resentments among the hill people in CHT and they considered it as a blueprint for massive demographic change.⁵⁵ No social impact assessment was carried out before creating a huge lake to the north and east of the barrage in Kaptai between 1957 and 1962.⁵⁶ The Kaptai Dam inundated 40 per cent of the total area of the district which was 400 sq mi of the ground and it rendered one hundred thousand people homeless many of which crossed border to take refuge in India.⁵⁷ This was a watershed event in CHT which spearheaded a chronicle of devastation for the people of CHT.⁵⁸ These traumas and fundamental contradictions regarding land rights continued after 1971 with newer dimensions of complexities. In the meanwhile, demography of the CHT started to change and Bengali population has increased over the years. The Bengali inhabitants started residing on some of the lands owned by the government which is locally known as *Khas* land.⁵⁹ The traditional land ownership customs had been in

⁵² Mohsin, *The Chittagong Hill Tracts, Bangladesh: On the Difficult Road to Peace*, 29.

⁵³ Mohsin, *The Chittagong Hill Tracts, Bangladesh: On the Difficult Road to Peace*, 30.

⁵⁴ Partha Shankar Saha, "Rise of KNF: Why does KNF oppose CHT Peace Accord and JSS?" *Prothom Alo*, April 14, 2024.

⁵⁵ Ahmed, *Ethnicity and Insurgency in the Chittagong Hill Tracts Region*, 39.

⁵⁶ Mohsin, *The Chittagong Hill Tracts, Bangladesh: On the Difficult Road to Peace*, 24.

⁵⁷ Mohsin, *The Chittagong Hill Tracts, Bangladesh: On the Difficult Road to Peace*, 24.

⁵⁸ Hussain, *War and Peace in the Chittagong Hill Tracts*.

⁵⁹ Interview with a senior journalist on CHT affairs, October 2024.

breach since long before the advent of Bangladesh. In fact, the colonial rule established government control over three-fourths of the area of CHT as government-owned forest land and these lands were transferred to the Government of Pakistan and subsequently that of Bangladesh in terms of the changes in political and administrative settings.⁶⁰

The issue of land rights was also addressed in the 1997 Peace Accord after which the CHT Land Dispute Resolution Commission was formed in 1999. Associated law to conduct the commission was introduced in 2001, but the political groups of the ethnic minority communities submitted thirteen complaints to review the act. Their demands were approved in 2013 and amended version of the act was passed in 2016. After the passing of the amended law, a total of 22,881 complaints were submitted to the commission, 90 per cent of which were lodged from the ethnic minority people.⁶¹ The Bengali inhabitants now form a considerable majority in the demographic context of the CHT and they have been expressing concerns over the land commission as the majority of the members (7 out of 9) of the commission are to be from small ethnic groups. The commission is yet to start its mandated functions and the conflict between Bengali inhabitants and ethnic people has loomed large over the years as the claims of regaining the property currently Bengali inhabitants have been residing on are getting louder from ethnic political entities. A complete cadastral survey to measure the state of lands in CHT has never been done there because of continued protest by ethnic political entities against any type of survey.⁶² Henceforth, the problem has got intensified and complicated more over the years and therefore, the security challenges have grown manifold due to this.

6. The 1997 Peace Accord and the Failure of National Integration

While the 1997 Peace Accord put a stop to the two-and-a-half-decades-long armed insurgency, the post-accord political dynamics got even more complex. There was a gap between the original demands of PCJSS and the agreement⁶³ which contributed to the growing political faction among the ethnic groups to some extent. On the other hand, there has also been a slow pace of implementation of the Accord which has led to a virtual failure of integrating the ethnic groups of CHT into the mainstream national dynamics of Bangladesh. The failure to implement the Accord also led to augmented intra-communal discrimination and division which exacerbated the security challenges in that area and led to the emergence of new armed factions

⁶⁰ Mahfuz Parvez, *Shantichuktir Dui Jug: Sompriti O Unnoyoner Pothe Parbatta Chattogram* (Dhaka: Student Ways, 2022), 102.

⁶¹ Parvez, *Shantichuktir Dui Jug*, 96.

⁶² Interview with a senior journalist on CHT affairs, October 2024.

⁶³ Mohsin, "The Chittagong Hill Tracts, Bangladesh," 255.

like the KNF and MNP. The signing of the CHT Accord led to the creation of several local administrative bodies such as the CHT Regional Council, three Hill District Councils and a separate ministry named the Ministry of Chittagong Hill Tracts Affairs. These institutions were designed to foster political representation and empowerment among the ethnic groups of CHT which is a complex political process.⁶⁴

However, the initial intention has miserably failed as these local governance institutions have been in control by a few political elites due to the absence of any type of democratic practices since the establishment of these institutions.⁶⁵ Hence, the emergence of new leadership is virtually blocked in the local political landscape of CHT and the dominance of the Chakmas in terms of institutional and socio-political representation has led to exacerbate intra-communal violence and conflict. Many of the local ethnic political groups are engaged in establishing control over resources and territory which often results in killings, extortion, kidnapping, etc. After the two-and-a-half-decades-long armed insurgency, there was a pressing need for a robust peacebuilding activity in the CHT focusing on a socio-cultural approach to integrate the conflict-torn community into the mainstream national socio-political and socio-economic dynamics. However, the Ministry of Chittagong Hill Tracts Affairs, the taskforces and the national political elites of Bangladesh failed to generate the necessary momentum in this regard.⁶⁶ There is also the dynamics of uneven power sharing among local institutions created through the accord, civil administration and traditional administration for which it gets difficult to locate the source of political and administrative power in CHT.⁶⁷

The problems of the CHT Peace Accord started since the very inception period as the political elites adopted a top-down approach while drafting the accord. A top-down approach often works when the objectives of an agreement are clear, but the complex political and security dynamics of CHT required the adoption of a bottom-up approach.⁶⁸ The CHT Peace Accord and its legal and administrative derivatives have also been labelled as unconstitutional⁶⁹ since the country runs on a unitary state system. Therefore, there are some valid strategic concerns regarding the legal implications of this Accord. The CHT Regional Council Bill was passed in 1998 and

⁶⁴ Mohsin, "The Chittagong Hill Tracts, Bangladesh," 256.

⁶⁵ Interview with a Professor of Political Science, University of Chittagong. October 2024.

⁶⁶ Interview with a Professor of Political Science, University of Chittagong. October 2024.

⁶⁷ Mohsin, "The Chittagong Hill Tracts, Bangladesh," 256.

⁶⁸ Ishtiaq Jamil and Pranab Kumar Panday, "The Elusive Peace Accord in the Chittagong Hill Tracts of Bangladesh and the Plight of the Indigenous People," *Commonwealth & Comparative Politics* 46, no. 4 (November 2008): 464–89.

⁶⁹ David Bergman, "HC deals serious blow to CHT Accord," *Bdnews24.com*, April 13, 2010, <https://bdnews24.com/bangladesh/hc-deals-serious-blow-to-cht-accord>.

it requires the national parliament to consult the council and take recommendations to make any laws concerning CHT.⁷⁰ The strategic value of CHT to the national security of Bangladesh should have been prioritised and reflected more in the Peace Accord as some of its provisions provide potential delegation of power related to national security to local governance which is still in its nascent phase. The Accord can be analysed as an overly ambitious one where strategic implication was largely ignored.⁷¹ However, the strategic concerns cannot be addressed through the slow implementation of the Accord as it has been jeopardising the local political dynamics even more.

7. CHT at the Juncture of Diverging Geopolitical Interests

CHT is situated at the crossroads of diverging geopolitical interests of major external powers which is often negated while analysing the security dynamics of CHT. The geopolitical interest of India often appears as blatant due to the intricate relationships between the stability of CHT and that of its Northeast provinces. The multidimensional support it provided to Shanti Bahini—the armed wing of PCJSS that carried out the two-and-a-half-decades-long armed insurgency against the security forces of Bangladesh is well-known.⁷² India is aware of the strategic ramifications of secessionist armed insurgencies in CHT on its Northeastern part which suffers a geostrategic weakness in terms of potential external attacks and has also been experiencing armed resistance for a long period. Therefore, the nationalist movement of Jumma land did not get the required support from India.⁷³ The tribal leaders of the CHT are aware of these strategic prerogatives of India and it is evident that the largest neighbour of Bangladesh utilises their strategic leverage on CHT to shape the trajectory of bilateral relations.⁷⁴ The other neighbour of Bangladesh, Myanmar has vested geopolitical interests in this area but due to the nature of their statehood, the interests are also fragmented. The country has been undergoing political and military process of coming to terms with its fragmented sovereignty since its independence⁷⁵ and it is going through a full-scale civil war where most of the Burmese neighbouring parts of Bangladesh are currently under the *de facto* control of the Arakan Army. KNF

⁷⁰ M Rashiduzzaman, “Bangladesh’s Chittagong Hill Tracts Peace Accord: Institutional Features and Strategic Concerns,” *Asian Survey* 38, no. 7 (1998): 653–670.

⁷¹ Interview with a Professor of Political Science, University of Chittagong, October 2024.

⁷² Chowdhury, “The Resistance Movement in the Chittagong Hill Tracts,” 36–51.

⁷³ Mohsin, *The Chittagong Hill Tracts, Bangladesh: On the Difficult Road to Peace*, 35.

⁷⁴ Interview with a retired general of Bangladesh Army, October 2024.

⁷⁵ Morten B. Pedersen, “Outrage is not a policy: Coming to terms with Myanmar’s fragmented state,” Lowy Institute, May 12, 2024, <https://www.loyyinstitute.org/publications/outrage-not-policy-coming-terms-myanmar-s-fragmented-state>.

is reported to have strategic connection with the rebels of Chin state of Myanmar.⁷⁶ The Rohingya crisis has also exacerbated the geopolitical interests of various state and non-state actors that shape the security dynamics across the southeastern border of Bangladesh. Various misleading claims regarding the origin of the Rohingya community are prevalent even in academia which cannot be ruled out as attempts to reshape strategic narratives in this region.⁷⁷

CHT is also at the crossroads of the great game of the 21st century between China and India where the frontier in India's Northeast is at the centre of diverging geopolitical interests.⁷⁸ The geopolitical competition over establishing strategic leverage in the Indian Ocean has prompted China to forge deep strategic linkages in the Rakhine state of Myanmar. Japan also has strategic interests in the Bay of Bengal and it has greater implications for the strategic developments in the northeast of India and southeast of Bangladesh. Therefore, the major powers' diverging geopolitical interests also shape the security dynamics in CHT and beyond. Apart from the Sino-Indian rivalry, the Sino-US rivalry is an important determinant of the geopolitical dynamics in this region. The United States (US) has vested interests in this hilly part of South Asia and Southeast Asia designed to counter the Chinese influence.⁷⁹ The Burma Act of the US is perceived not to have a territorial limitation within boundary of Myanmar, but has the potential to shape the security dynamics of the neighbouring region like the CHT and India's Northeast since these areas share a deeply interlinked demography in terms of ethno-cultural identity.⁸⁰ There is an ethno-religious dimension to the Western interests in this region which is often overlooked while analysing security dynamics of CHT. It is widely speculated that the West is trying to create a Christian-majority state in this region to counter the influence of China.⁸¹ The CHT has experienced a rapid rate of evangelisation in the last few decades and it resembles the highest in terms of religious conversion rate between 1991 and 2011 in CHT.⁸² For the people of a shatter zone, Christianity provides an oppositional and a modern alternative vis-à-vis the lowland states' dominant ideologies.⁸³ The role of transnational actors and Non-governmental Organisations (NGOs) has vested

⁷⁶ Shariful Islam and Mong Sing Hai Marma, "KNF gets arms, support from other side of border," *The Daily Star*, April 07, 2024.

⁷⁷ Sreeparna Banerjee, "Road from Rakhine: The Uncertain Fate of Rohingyas," *Raisina Debates*, October 05, 2024, <https://www.orfonline.org/expert-speak/road-from-rakhine-the-uncertain-fate-of-rohingyas>.

⁷⁸ Bertil Lintner, *Great Game East: India, China, and the Struggle for Asia's Most Volatile Frontier* (Connecticut: Yale University Press, 2015).

⁷⁹ David Shambaugh, *Where Great Powers Meet: America and China in Southeast Asia* (New York: Oxford Academic, 2020).

⁸⁰ Interview with a retired general of Bangladesh Army, October 2024.

⁸¹ Interview with a Professor of Political Science, University of Chittagong, October 2024; Interview with a retired officer of Bangladesh Army, September 2024.

⁸² Parvez, *Shantichukhtir Dui Jug*, 144.

⁸³ Scott, *The Art of Not Being Governed*, 319.

linkages with these evolving dynamics. Therefore, it will be a naive attempt to understand the complex security challenges of CHT without taking the geopolitical great game into consideration.

8. Chronic Security Challenges and Policy Suggestions

The five meta-narratives of the root causes of the security challenges in the CHT which have been analysed in the previous sections explain the recurrence of security challenges in the CHT of Bangladesh. Each of the causal elements cannot be seen in isolation, rather, they are interwoven in the mosaic of security challenges in the area. The political uniqueness of the area is a fundamental criterion for understanding the security problems in the area. Failing to do that, there have been repetitive attempts to marginalise the ethnic groups through the politics of national identity. Marginalised identity is related to grievances and sometimes overshadows other deep-rooted problems like the issues of land rights and deprivation. The fundamental differences in terms of land ownership are complex and it will require compromise on both sides to make some progress. Against all of these odds, a peace accord was signed and its implementation failure has further complicated the aforementioned problems. On top of these issues, CHT is positioned at the crossroads of diverging geopolitical interests of external powers and this concern is often negated in mainstream literature on security challenges in CHT. Therefore, the challenges are paramount to ensure stability and harmony in this southeastern part of Bangladesh.

The complex situation in CHT requires a political solution for which a national consensus is required to safeguard the national integrity of Bangladesh. There will be divergences of policy narratives regarding every aspect of domestic politics among the national political elites, but the CHT issue has to be considered as a significant concern to protect the territorial integrity of Bangladesh. Political elites of Bangladesh are often not aware of the consequences of their narratives on CHT which are mainstreamed through various channels of communication. It is unfortunate that after five decades of emergence as an independent country, the political consciousness of the sensitivity and complexity of problems in CHT among the political elites are still missing to a large extent. Reaching a political consensus is the foremost task which itself is a complex process to resolve the problems.

Thus, the multifaceted security problems in CHT require a political solution. But, in order to prepare a convenient ground reality, socio-cultural harmony should exist beforehand. The voices of the youth are still not prominent in the local political landscape who are untapped human resources to augment socio-cultural harmony between ethnic groups and the Bengali community. Many of these young generations

are well-educated and deeply involved in various governmental and non-governmental sectors in Bangladesh. Especially in the changed political landscape of Bangladesh, the youths have tremendous potentials in reshaping the political dynamics of the country. The CHT is not an exception to this as the context has been changed in the last five decades due to tremendous infrastructural and connectivity development works. However, these developments will be futile if there is no socio-political and socio-cultural harmony among the people residing in the region. The involvement of local and transnational NGOs in CHT is deep-rooted and the government should focus on encouraging them to invest on improving the socio-cultural and socio-political dynamics in CHT.

In the absence of socio-political integration, the intended objectives of various government initiatives cannot be accomplished. A national policy on integrating all the small ethnic groups and Bengali community living in CHT to the mainstream national socio-political dynamics has to be devised as early as possible. This is a mammoth task which requires contributions from political elites, intellectuals, bureaucrats, ethnic political leaders, etc. The celebration of the sociocultural diversity of CHT can be the basis for devising a national integration policy. An efficient and innovative human resource apparatus is needed to complete the mammoth tasks of identifying the resolving point to reach an agreement. In order to solve complicated issues like land rights, each side will have to make compromises to reach a viable solution. In addition to a revitalised administrative apparatus, the political elites have a significant role to play in fostering confidence-building measures in a society where inter-communal trust has gone down to a great extent. The political apparatus will be the key in terms of accomplishing this objective where the administration will work as a major implementing partner. The approach should be holistic one; government stakeholders have to play a pioneering role to engage non-government and transnational actors in this regard.

The deep-rooted security challenges in CHT cannot be treated as insignificant which might not have any linkages with the territorial integrity of Bangladesh. However, the innate political characteristics of the demography of this hilly terrain pose significant challenges for a nation-state. On top of that, the area is subject to the interests of major external powers who have diverging interests in the region. As argued in the previous section, the transnational actors also have vested interests to accomplish in this area. Therefore, while making any political, economic and security narratives, policies must consider this strategic concern. There should be no compromise on the question of territorial integrity. Therefore, the strategic implications must be carefully analysed before adopting a policy on the modalities of

the security forces' presence in CHT. There should be a broader definition of security to be applied in the context of CHT so that every inhabitant feels secure at all levels.

9. Conclusion

The security challenges in the CHT are an intricate blend of historical, socio-cultural, political, and geopolitical factors that continue to shape the area's current security landscape. This paper is an attempt to provide a pentadimensional metanarrative that explains the root causes of the recurrence of complex security challenges in the CHT. However, each dimension of this metanarrative requires further rigorous research which will produce larger volumes of literature on security challenges in this area. The CHT, characterised by its unique demographic composition, diverse ethnic identities, and historical resistance to centralised authority, epitomises the enduring complexity of integrating peripheral regions into the nation-state framework. Rooted in Scott's thesis on governance challenges in hilly areas identified as a shatter zone, CHT's challenges demand recognition of its unique attributes—ethnic diversity, cultural autonomy, and the persistent issues surrounding land rights and political identity.

Despite the signing of the 1997 Peace Accord, the failure to fully implement its terms has led to political factionalism and further exacerbated numerous long-standing issues. This has been compounded by increasing geopolitical interests and the active involvement of transnational actors, each with vested stakes in the region. The need for a political consensus at the national level, combined with policies aimed at fostering social and cultural harmony, remains crucial to addressing the insecurities and achieving lasting peace.

To move forward, Bangladesh must adopt an integrated approach that prioritises both the territorial integrity of the nation and the socio-political inclusion of CHT's communities. By implementing an inclusive national integration policy, promoting youth involvement, revitalising administrative structures, and recognising CHT as a strategic priority, there is hope for transforming the security dynamics in this historically complex region. Only through such a holistic approach can the national security challenges in the CHT be sustainably addressed, ensuring both regional stability and national unity.

Mahfuz Kabir

BANGLADESH AFTER LDC GRADUATION: PREPAREDNESS AND POLICY OPTIONS

Abstract

Bangladesh is scheduled to graduate from the group of Least Developed Countries (LDCs) in November 2026. It is expected to generate considerable shocks to the country's export earnings because of discontinuation of duty-free market access in important destinations that include the European Union (EU), the United Kingdom (UK), India, Australia, Japan and South Korea among others. This paper examines the possible magnitude of the loss of merchandised exports of the country in various phases after graduation, including its transition period. The empirical results discussed here demonstrate that significant losses would be incurred in the UK, Germany, India, Türkiye, Spain, Denmark, France, and Italy. The readymade garments sector would be hit the hardest in most of these destinations. In order to address the adverse impact on export earnings and continuation of preferential market access, the paper suggests a set of policy recommendations that include productivity enhancement, diversification of the export basket, production of high-end apparels, and signing of trade agreements with important destination countries in which Bangladesh enjoys duty-free market access under the LDC status.

Keywords: Graduation, RMG, Export Diversification, EU, GSP Plus

1. Introduction

According to the decision of the Committee for Development Policy (CDP), an advisory body of the United Nations Economic and Social Council (ECOSOC), Bangladesh is scheduled to graduate from the group of Least Developed Countries (LDCs) on 24 November 2026¹ along with Nepal, Bhutan and Laos. The recommendation of graduation was well-anticipated in the 2018 triennial review of the CDP when Bangladesh met all the three criteria for graduation, *viz.*, national income per capita, Human Asset Index (HAI), and Economic Vulnerability Index (EVI). The country was set to graduate in the year 2024. However, the graduation timeline was extended by two more years to allow the country to conduct “planning

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¹ “Bangladesh: Graduation Status,” United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), accessed December 27, 2023, <https://www.un.org/ldcportal/content/bangladesh-graduation-status>.

for post-Covid-19 recovery and implementing policies and strategies to reverse the economic and social damages incurred by the Covid-19 shock”.²

Even though the graduation would provide a new signal of socio-economic development to the world, it would also expose the country to a large number of challenges. The most significant of these challenges would be abolishing a wide range of benefits in market access for of Bangladeshi products and services to major destinations that include the European Union (EU), the United Kingdom (UK), Canada, Australia, China, India, Japan, and South Korea under the Generalised System of Preferences (GSP)³ and country-specific tariff concession or suspension schemes allowed for LDCs.

The Government of Bangladesh (GoB) has recognised the graduation of Bangladesh from the LDCs as a milestone for the nation and at the same time apprehended the challenges that the country is going to face after the graduation. However, the GoB has formed a 22-member committee to address the challenges of the graduation through preparation, planning, implementation and monitoring, and formulation of an action plan. Ministries of Finance, Commerce, and Industries have prepared their respective strategies in coordination and consultation with the private sector and have validated with the cross-section of stakeholders that include key trade and development partners.⁴

Against this backdrop, this paper aims to provide a new set of evidence on the potential effects of graduation on the country’s export performance by major product category (apparel and others) and important destination vis-à-vis aggregate merchandised exports. It would help Bangladesh undertake capacity development programmes for the private sector exporters, conduct trade agreements with significant destinations, such as India, China and Canada, and start negotiations for availing GSP plus and continuation of duty facility in order to continue market access in those destinations.

The paper has been organised as follows. After the introduction, section 2 presents a review of existing literature on the *ex ante* effects of the graduation on Bangladesh’s external sector to identify research gaps, and formulate the research question and objectives. To examine the likely effects graduation of the merchandised

² Official letter from José Antonio Ocampo, Chair of CDP to Her Excellency Ms Rabab Fatima, Permanent Representative of Bangladesh to the United Nations, New York on February 26, 2021.

³ Bangladesh is currently availing tariff preferences in the EU under Everything but Arms (EBA) component of the GSP. However, the country can avail GSP-plus subject to a successful negotiation.

⁴ “National Seminar on LDC Graduation,” Economic Relations Division, Ministry of Finance, Government of the People’s Republic of Bangladesh, accessed July 07, 2024, <https://ssgp.erd.gov.bd/national-seminar-on-ldc-graduation/>.

exports, an empirical model has been developed and estimated in section 3. Section 4 elaborates on policy options for securing market access and absorbing possible shocks through developing domestic capacity. Finally, the paper ends with conclusion in section 5.

2. A Review of Literature

It is widely believed that the most formidable shock will be observed in the exports of Readymade Garments (RMGs), especially to the European (EU and UK) and Canadian markets, which are the most important destinations of these goods where they will lose Duty-Free Quota-Free (DFQF) market access. According to the data from the Bangladesh Bank, Bangladesh's merchandised exports to the EU and the UK were estimated to be US\$ 21.9 billion in the fiscal year 2023-24, which was 56 per cent of the country's merchandised exports.⁵ The country receives duty-free market access, benefitting under the Everything but Arms (EBA)⁶ in the EU market while being used to receive similar benefits under the GSP of the UK after Brexit. The Developing Countries Trading Scheme (DCTS)⁷ entered into force on 19 June 2023 and replaced its GSP.⁸ As an LDC, Bangladesh also receives GSP or duty-free market access facilities (partial and full) for its important products in notable export destinations, such as Australia, Canada, China, India, Japan, Norway, South Korea, New Zealand, Russia, Switzerland and Turkey.⁹ Under the GSP and DCTS, Bangladesh will continue receiving duty-free market access in the EU and UK after the three years of graduation as a transition period. However, whether the country will continue to receive similar benefits in other important markets is not yet confirmed.

Several studies identified challenges to Bangladesh's LDC graduation, including reduction in export earnings, unavailability of soft-term loans from bilateral and multilateral sources, removal of technical support, and decreased developmental cooperation from international organisations and development agencies. Rahman, for

⁵ Bangladesh Bank, *Annual Export Receipt of Goods and Services 2023-24* (Dhaka: Bangladesh Bank, 2024).

⁶ "Everything About Arms Embargoes and the Everything But Arms Initiative (EBA)," European Commission, Directorate-General for Trade, accessed December 27, 2023, <https://trade.ec.europa.eu/access-to-markets/en/content/everything-arms-eba>.

⁷ Mohammad A. Razzaque, "What the United Kingdom's New Developing Countries Trading Scheme Means for Least Developed Countries (LDCs), Including Countries in the Graduation Process," *CDP Background Paper No. 55, ST/ESA/2023/CDP/55* (New York: Department of Economic and Social Affairs [DESA], March 2023).

⁸ "Trading with Developing Nations," UK Government, accessed December 27, 2023, <https://www.gov.uk/government/collections/trading-with-developing-nations>. The DCTS is a simple preferential trading scheme for developing countries (including LDCs) under which Bangladesh receives duty-free access of its main products including RMGs.

⁹ "Market Access Facilities for Bangladeshi Exportable Goods," Export Promotion Bureau, Government of the People's Republic of Bangladesh, accessed December 27, 2023, <http://www.epb.gov.bd/site/page/7bd7d4d7-cdba-4da3-8b10-f40da01e49b6>.

instance, mentioned that the challenges would be manifold due to the ongoing global economic stresses of the Russia-Ukraine war.¹⁰

Razzaque, in particular, provided a brief account of Bangladesh's duty-free access to various important destinations as an LDC compared to their average tariff rate to understand the possible consequences of the graduation on export earnings because of tariff. For non-LDC countries, the EU's tariff rate for apparel items is around 12 per cent, while for Canada it is as high as 18 per cent. It is nearly 9 per cent in Japan, 5 per cent in Australia, and 16 per cent in China. In India, the current duty-free access to the LDC market for most items will be replaced by the South Asian Free Trade Area (SAFTA) non-LDC tariff regime in which average tariffs will increase to over 8 per cent. In addition, many export items will be included in the sensitive list which will be excluded from preferential market access. In addition, Bangladesh is likely to face stringent Rules of Origin (RoO) in these markets.¹¹ Bangladesh will also face difficulty in accessing the market in South Asia because of more stringent RoO as a non-LDC member of SAFTA.

Using a partial equilibrium model, Razzaque and Rahman¹² found that the elimination of such tariff would result in a loss of exports of more than US\$ 1.6 billion in the EU alone, while the increase in tariff by 9.6 per cent would put serious pressure on Bangladesh's export competitiveness. The other major challenges are departure from concessional access to Official Development Assistance (ODA) and discontinuation of patient waiver for the pharmaceutical industry. Using a partial equilibrium model, the World Trade Organization (WTO)¹³ found that Bangladesh's exports would be reduced by US\$ 5.37 billion or 14.3 per cent of total goods exports valued at 2016-18 annual average exports. Bangladesh would experience 8.9 per cent tariff increases in goods, which is the highest among LDCs because of its exports of RMG products to the EU and Canada. However, total exports (goods and services) would be decreased by US\$ 6.2 billion or 22.69 per cent. According to the estimation of the United Nations Conference on Trade and Development (UNCTAD)¹⁴, Bangladesh would experience a reduction in exports of about 5 to 7 per cent of total

¹⁰ Mustafizur Rahman, "Bangladesh in Dual Transition: Attendant Challenges and the Next Steps," in *Fifty Years of Bangladesh: Economy, Politics, Society and Culture*, eds. Rounaq Jahan and Rehman Sobhan (Abingdon, Oxon; New York, NY: Routledge, 2021), 49–65, doi: 10.4324/9781003411260-4.

¹¹ Mohammad A. Razzaque, "Geo-economics, Globalization and the Covid-19 Pandemic: Trade and Development Perspectives from Bangladesh," in *Globalisation Impacts, International Law and the Global South*, ed. A. Palit (Singapore: Springer Nature, 2022), 106–125, doi: 10.1007/978-981-16-7185-2_6.

¹² Mohammad A. Razzaque and Jillur Rahman, "Bangladesh's Apparel Exports to the EU: Adapting to Competitiveness Challenges Following Graduation from Least Developed Country Status," *International Trade Working Paper 2019/02* (London: Commonwealth Secretariat, 2019).

¹³ WTO, *Trade Impacts of LDC Graduation* (Geneva: WTO, 2020).

¹⁴ UNCTAD, *The Least Developed Countries Report 2016* (Geneva: UNCTAD, 2016).

goods export. Rahman and Bari¹⁵ found that Bangladesh will face an increase in about 6.7 per cent average tariff on its exports. It would result in the reduction of export earnings of 8.7 per cent of its global exports, which is about US\$ 2.7 billion.

Using a partial equilibrium model, Razzaque¹⁶ found that Bangladesh's exports to the EU would decline by approximately US\$ 1.6 billion, which would be US\$ 175 million in Canada and US\$ 29 million in Australia. The country's RMG exports would decrease by US\$ 1.81 billion in coming years. According to the United Nations Department of Economic and Social Affairs (UNDESA)¹⁷, the impact on other major export items, such as fish and jute products, would be insignificant. Using a partial equilibrium model, the General Economics Division¹⁸ found that LDC graduation would lead to a decrease in Bangladesh's exports by US\$ 1 to 4 billion compared to 2018 exports, which could be between 2.8 and 11.1 per cent of exports. Using a CGE model, the study found that export receipts could fall by US\$ 7 billion in 2027. Using a Computable General Equilibrium (CGE) model with the social accounting matrix of 2014, Rahman and Strutt¹⁹ found that Bangladesh may experience a drop in real Gross Domestic Product (GDP) by approximately 0.38 per cent, and exports could fall by around 6 per cent because of the graduation. The RMG sector, in particular, could be severely affected, with exports potentially declining by about 14 per cent. Additionally, the income of urban households may decrease by 3 per cent, and household consumption could decline by about 4 per cent.

Graduating from the LDC would restrict Bangladesh's ability to provide direct export subsidies due to World Trade Organization (WTO) regulations. Additionally, Bangladesh will be expected to enforce stronger intellectual property protection upon graduation, which indicates to comply with WTO provisions regarding pharmaceutical products under the Agreement on Trade-Related Intellectual Property Rights (TRIPS) from January 2033.²⁰ It would significantly reduce the country's

¹⁵ Mustafizur Rahman and Estiaque Bari, "Pathways to Bangladesh's Sustainable LDC Graduation—Prospects, Challenges and Strategies," in *Bangladesh's Graduation from the Least Developed Countries Group: Pitfalls and Promises*, ed. Debapriya Bhattacharya (London: Routledge, 2018), 109–152.

¹⁶ Mohammad A. Razzaque, *Bangladesh's Export-Oriented Apparel Industry and LDC Graduation* (New York: United Nations Department of Economic and Social Affairs [UNDESA], 2018).

¹⁷ UNDESA, *Ex ante Assessment of the Impacts of the Graduation of Bangladesh from the Category of Least Developed Countries (LDCs)* (Revised) (New York: UNDESA, 2020), accessed December 27, 2023, <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/Bangladesh.pdf>.

¹⁸ General Economics Division, *Impact Assessment and Coping up Strategies of Graduation from LDC Status for Bangladesh* (Dhaka: Bangladesh Planning Commission, 2020).

¹⁹ Mohammad Masudur Rahman and Anna Strutt, "Costs of LDC graduation on market access: evidence from emerging Bangladesh," *Economic Systems Research* (2022), doi: 10.1080/09535314.2022.2138271.

²⁰ Razzaque, "Geo-economics, Globalization," 106–125.

capacity to produce and export pharmaceutical products, which would require an extension to the WTO waiver of TRIPS.²¹

The literature on the effects of Bangladesh's graduation on its exports provides a divergent set of results. The results of the *ex ante* studies indicate that the loss of export earnings due to the country's LDC graduation is non-trivial. Moreover, the magnitude of the possible effect on exports varies significantly. Most of the studies demonstrate static effects considering the old year of graduation (2024). In addition, the studies suggest broad policy recommendations, such as domestic policy reforms, capacity building of the private sector, and proceeding for securing market access through GSP+ and trade agreements. However, there is a lack of evidence based on export new data (for the year 2023-24) and the trend of merchandised exports. There is also a lack of assessment of the prospects of GSP+, trade and investment agreements, and plausible diplomatic efforts to continue market access with tariff preferences and fewer restrictions of the WTO regarding trade policies.

The present paper tries to answer two research questions: what is the possible magnitude of the loss of merchandised exports of Bangladesh and by destination, *viz.* the EU and countries that provide tariff concession? And, what would be the viable policy options and prospects for domestic capacity building and diplomatic engagement for pursuing preferential market access and sustainable graduation? In order to address these questions, the objectives of the research are twofold. First, to comprehend the possible export shocks and challenges in market access due to graduation; and second, to suggest recommendations for the government and private sector to develop domestic capacity and continue securing preferential market access through diplomacy and trade negotiations.

3. Assessing Possible Shocks in Merchandised Exports After Graduation

The most important apprehension related to Bangladesh's LDC graduation is the possibility of a large shock on its export earnings as the country enjoys duty-free access to many important destinations that create advantage in market access with similar goods compared to its non-LDC counterparts. The imposition of import duty after LDC graduation will increase the price of Bangladeshi products in those destinations, which would reduce the demand for these products. Therefore, empirical modelling is required to ascertain the possible impacts of the tariff imposition on Bangladesh's export earnings.

²¹ Taffere Tesfachew, *Support for post-graduation soft-landing of LDCs: Implications in the context of the WTO* (Geneva: CUTS International, 2018).

In doing so, an empirical gravity model has been used, which is a modified version of the model adopted by Serlenga and Shin²², Bergstrand and Egger²³, and Kabir and Salim²⁴. The gravity model has been used in empirical trade studies for more than five decades to examine the pattern of trade flow and estimate important parameters. The objective of using the gravity model in this paper is to estimate the tariff elasticity of Bangladesh's exports. The empirical specification is:

$$\ln EXP_{ijt} = \alpha_1 + \alpha_2 \ln T GDP_{ij,t} + \alpha_3 \ln RFE_{ij,t} + \alpha_4 SIM_{ij,t} + \alpha_5 \ln DIST_{ij} + \alpha_6 COMCOL_{j,t} + \alpha_7 RER_{ij,t} + \alpha_8 \ln TARIFF_{ij,t} + \alpha_9 EU_{j,t} + \alpha_{10} GSPDFQF_{j,t} + \alpha_{11} SAFTA_{j,t} + \alpha_{12} APTA_{j,t} + \alpha_{13} D8_{j,t} + \alpha_{14} TPSOIC_{j,t} + e_{ijt} \quad (1)$$

where

EXP_{ijt} = Bangladesh's earnings from merchandised exports

$T GDP_{ij,t}$ = Sum of GDP of Bangladesh (i) and destination country (j)

$RFE_{ij,t}$ = Relative factor endowment

$DIST_{ij}$ = Distance between i and j

$RER_{ij,t}$ = Real exchange rate between i and j

$TARIFF_{ij,t}$ = Geometric mean bilateral tariff rate imposed by j on products exported from i

$EU_{j,t}$ = Whether j is a member of the EU

$GSPDFQF_{j,t}$ = Whether j grants GSP or any other tariff facilities or duty-free market access for i

$SAFTA_{j,t}$ = Whether j is a member of SAFTA

$APTA_{j,t}$ = Whether j is a member of the Asia-Pacific Trade Agreement (APTA)

$D8_{j,t}$ = Whether j is a member of the D-8 Organization for Economic Cooperation

²² Laura Serlenga and Yongcheol Shin, "Gravity Models of Intra-EU Trade: Application of the CCEP-HT Estimation in Heterogeneous Panels with Unobserved Common Time-Specific Factors," *Journal of Applied Econometrics* 22, no. 2 (2007): 361–381, doi: 10.1002/jae.944.

²³ Jeffrey H. Bergstrand and Peter Egger, "A general equilibrium theory for estimating gravity equations of bilateral FDI, final goods trade, and intermediate trade flows," in *The Gravity Model in International Trade*, eds. S. Brakman and P. van Bergeijk (Cambridge, UK: Cambridge University Press, 2010), 29–70, <https://doi.org/10.1017/CBO9780511762109>.

²⁴ Mahfuz Kabir and Ruhul Salim, "Is Trade of Electrical and Electronic Products Sensitive to IPR Protection? Evidence from China's Exports," *Applied Economics* 48, no. 21 (2016): 1991–2005, doi: 10.1080/00036846.2015.1111990.

$TPSOIC_{j,t}$ = Whether j is a member of Trade Preferential System among the Member States of the OIC (TPS-OIC)

e = Random error term with the usual statistical properties

t = Time period (fiscal year 1998-99 to 2022-23)

In addition,

$$RFE_{ijt} = |\ln PCGDP_{it} - \ln PCGDP_{jt}|$$

$$SIM_{ijt} = 1 - \left(\frac{GDP_{it}}{GDP_{it} + GDP_{jt}} \right)^2 - \left(\frac{GDP_{jt}}{GDP_{it} + GDP_{jt}} \right)^2 ; 0 \leq SIM_{ij} \leq 0.5$$

According to Serlenga and Shin, RFE_{ij} takes a minimum of zero if both countries exhibit equal per capita GDP or production. However, Kabir and Salim found that 0.5 means ‘equal’ and zero implies ‘absolute divergence’ in country size. In a ‘factor box representation’ of the trade model²⁵, $TGDP$ implies the length of the diagonal of the box, SIM indicates the location of the consumption point along the diagonal, and RFE refers to the distance between production and consumption points along the relative price line.²⁶ Baltagi *et al.* defined $TGDP$, SIM and RFE as measures of bilateral overall country size, relative country size, and absolute difference in relative factor endowments between two trading partners.²⁷ Based on Carrère²⁸, $RER_{ij,t}$ has been calculated as follows:

$$RER_{ij,t} = ER_{ij,t} \left(\frac{P_{j,t}}{P_{i,t}} \right)$$

where $P_{i,t}$ and $P_{j,t}$ are the price levels of Bangladesh and its partner countries, respectively. $ER_{ij,t}$ is the bilateral nominal exchange rate between the currencies of foreign country j and the home country i .²⁹ Both Carrère as well as Serlenga and Shin

²⁵ The 2×2×2 trade model is comprised of two goods (differentiated and homogenous), two factors (capital and labor), and two countries (importer and exporter). See, Elhanan Helpman and Paul R. Krugman, *Market Structure and Foreign Trade: Increasing Returns, Imperfect Competition, and the International Economy* (Cambridge, MA: MIT Press, 1985); Elhanan Helpman, “Imperfect Competition and International Trade: Evidence from Fourteen Industrial Countries,” *Journal of the Japanese and International Economies* 1, no. 1 (1987): 62–81.

²⁶ Peter Egger, “An Econometric View on the Estimation of Gravity Models and Calculation of Trade Potentials,” *The World Economy* 25 (2002): 297–312.

²⁷ Badi Baltagi, Peter Egger and Michael Pfaffermayr, “A generalized design for bilateral trade flow models,” *Economics Letters* 80, (2003): 391–397.

²⁸ Celine Carrère, “Revisiting the effects of regional trade agreements on trade flows with proper specification of the gravity model,” *European Economic Review* 50, No. 2 (2006): 223–247.

²⁹ The bilateral exchange rate is calculated by $ER_{ij,t} = BDT/LC_{j,t}$, where BDT is Taka and LC is the partner’s currency.

argue that an increase in the bilateral real exchange rate reflects the depreciation of the importer's currency against that of the exporters. The coefficient of *RER* is expected to be positive.

The period of the data used in the present study is from 1998-99 to 2022-23 for 159 important destinations (important partner countries or territories) to represent the long-term pattern of Bangladesh's merchandised exports through a considerably large sample. The value of exports is based on Bangladesh Bank's data, while GDP data come from World Development Indicators (WDI). Distance data are gathered from the Centre d'Etudes Prospectives et d'Informations Internationales (CEPII).³⁰ Bilateral exchange rate data are not available in the standard secondary sources. Therefore, it is calculated from the official exchange rates of individual countries, which are collected from the WDI and then the real exchange rate has been calculated. Brun *et al.*³¹ primarily employ the Consumer Price Index (CPI) to represent the price level, which is also collected from WDI. The data on geometric mean bilateral tariff is based on UNCTAD's COMTRADE and WTO's World Tariff Profiles databases. Information on the GSP schemes, trade agreements and tariff preferences that Bangladesh avail come from the Export Promotion Bureau (EPB) and National Board of Revenue (NBR), the GoB, UNCTAD and sources of the individual governments.

Table 1: Estimates of the Panel Gravity Model (Dependent: $\ln \text{EXP}_{ij,t}$)³²

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
$\ln \text{TGDP}_{ij,t}$	1.448*** (0.068)	1.451*** (0.068)	1.395*** (0.070)	1.395*** (0.070)	1.400*** (0.070)	1.413*** (0.071)	1.413*** (0.071)
$\ln \text{RFE}_{ij,t}$	0.082* (0.044)	0.064 (0.045)	0.042 (0.045)	0.046 (0.045)	0.046 (0.045)	0.043 (0.045)	0.047 (0.046)
$\text{SIM}_{ij,t}$	4.305*** (0.588)	4.118*** (0.587)	4.214*** (0.586)	4.245*** (0.586)	4.202*** (0.589)	4.306*** (0.590)	4.344*** (0.592)
$\ln \text{DIST}_{ij}$	-0.108 (0.187)	-0.118 (0.181)	-0.089 (0.184)	0.029 (0.215)	0.011 (0.216)	-0.020 (0.215)	-0.048 (0.219)
$\text{COMCOL}_{ij,t}$	0.024 (0.298)	0.113 (0.293)	0.189 (0.297)	0.182 (0.296)	0.186 (0.295)	0.218 (0.294)	0.265 (0.300)
RER_{ij}	0.015 (0.012)	0.015 (0.012)	0.015 (0.012)	0.014 (0.012)	0.014 (0.012)	0.014 (0.012)	0.014 (0.012)
$\ln \text{TARIFF}_{ij,t}$	-1.827*** (0.465)	-1.774*** (0.466)	-1.735*** (0.464)	-1.758*** (0.465)	-1.745*** (0.465)	-1.703*** (0.466)	-1.694*** (0.466)

³⁰ French Research Centre in International Economics, accessed January 15, 2024, <http://www.cepii.fr>.

³¹ Jean-François Brun, Céline Carrère, Patrick Guillaumont and Jaime de Melo, "Has Distance Died? Evidence from a Panel Gravity Model," *World Bank Economic Review* 19, no. 1 (2005): 99–120.

³² Author's estimation.

$EU_{j,t}$		0.522* (0.283)	0.754*** (0.293)	0.769*** (0.292)	0.759*** (0.292)	0.715*** (0.292)	0.683** (0.295)
$GSPDFQF_{j,t}$			0.586*** (0.176)	0.588*** (0.176)	0.594*** (0.177)	0.589*** (0.176)	0.584*** (0.177)
$SAFTA_{j,t}$				0.707 (0.672)	0.813 (0.687)	0.873 (0.684)	0.846 (0.685)
$APTA_{j,t}$					-0.451 (0.655)	-0.578 (0.656)	-0.632 (0.660)
$DB_{j,t}$						-0.839 (0.529)	-0.756 (0.541)
$TPSOIC_{j,t}$							-0.325 (0.445)
Constant	- 35.091*** (2.619)	- 35.082*** (2.580)	-33.857*** (2.617)	-34.927*** (2.805)	-34.893*** (2.799)	-34.964*** (2.787)	-34.748*** (2.802)
Diagnostic tests							
Wald χ^2	603.12***	612.16***	621.95***	624.26***	626.45***	632.28***	633.11***
χ^2	1,849.1***	1,721.6***	1,726.22***	1,722.22***	1,710.91***	1,704.11***	1,700.65***

Note: Numbers in the parentheses are the standard errors of the respective coefficients. *** and * indicate that the coefficients are statistically significant at 1 and 10 per cent levels, respectively.

Seven specifications have been estimated to assess the sensitivity of the coefficients of Equation (1). The results of the gravity model can be summarised afterwards. Positive and statistically significant coefficients of TGDP and SIM indicate that Bangladesh’s long-term merchandised exports support the New Trade Theory. However, distance has been found to be negative but statistically insignificant, which implies that Bangladesh’s main export destination is the European and North American countries, Japan and South Korea, which are located distantly. Thus, distance does not play a significant role in explaining Bangladesh’s exports. As expected, the coefficient of tariff has been found to be negative and statistically significant within a narrow and consistent. It implies that an increase in the tariff rate of the partner country would decrease Bangladesh’s exports as per the results of the gravity model. Finally, tariff reduction and elimination in the EU and other countries under GSP and similar schemes have been found to be positive and significant (coefficients of the EU and GSPDFQF), which means that these facilities helped the country to increase merchandised exports to those destinations.

The results of the model have been used in predicting the possible magnitude of loss of Bangladesh’s exports because of LDC graduation. In doing so, there is a need

for projecting the exports of Bangladesh up to the graduation timeline. Therefore, the following forecasting model has been applied to project the exports from Bangladesh to these countries:

$$EXP_{ijk,t} = EXP_{ijk,t-1} + \phi_1(EXP_{ijk,t-1} - EXP_{ijk,t-2}) - \theta_1 e_{j,t-1} - \theta_2 e_{j,t-2} \quad (2)$$

where, $EXP_{ijk,t}$ is the predicted export of Bangladesh value to country j in sector k without graduation, ϕ is the slope coefficient, and θ_1 and θ_2 are moving average coefficients.

Simulation has been conducted based on the results of the gravity and forecasting models as well as baseline Most Favoured Nation (MFN) tariff rates of the partner countries on apparel and other exports to examine the possible effects of LDC graduation on Bangladesh's merchandised exports. The following equation has been used for working out the possible effects of the graduation on exports:

$$\hat{\eta}_{ijk,t} = \hat{\alpha}_8(\tau_{j,k} EXP_{ijk,t}) \quad (3)$$

where

$\hat{\eta}_{ijk,t}$ = Exports lost in country j in sector k (RMG and others) at time t ;

$\tau_{j,k}$ = Baseline tariff in country j in sector k ;

and $EXP_{ijk,t}$ has been defined above. The tariff data have been taken from the WTO's World Tariff Profile 2023 database³³. The simulation results have been presented in Table 2 and Table 3.

Table 2: Loss of Bangladesh's Merchandised Exports due to Gradation (per cent)³⁴

Country	% change (-ve)	Country	% change (-ve)	Country	% change (-ve)
<i>EU members and the UK</i>				<i>Other GSP and similar facility providers</i>	
Austria	17.15	Italy	18.85	Australia	7.56
Belgium	17.63	Latvia	18.17	Chile	10.16
Bulgaria	13.81	Lithuania	8.94	China	12.21
Croatia	19.14	Luxembourg	19.38	India	35.22
Cyprus	14.41	Malta	16.80	Japan	14.06

³³ WTO, *World Tariff Profiles 2023* (Geneva: WTO, 2023).

³⁴ Author's simulation.

Czechia	19.30	Netherlands	18.44	New Zealand	15.93
Denmark	19.33	Poland	18.83	Norway	12.14
Estonia	18.04	Portugal	18.91	Russia	12.46
Finland	19.13	Romania	18.71	South Korea	21.30
France	18.44	Slovakia	19.31	Switzerland	6.26
Germany	18.93	Slovenia	18.46	Türkiye	54.13
Greece	17.64	Spain	19.22		
Hungary	19.07	Sweden	19.03		
Ireland	19.17	UK	18.70		

Table 3: Loss of Bangladesh’s Merchandised Exports due to Gradation by Broad Sector (per cent)³⁵

Destination	RMG	Non-RMG
Australia	7.79	4.07
Chile	10.16	10.16
China	11.52	12.71
India	40.66	30.66
Japan	15.08	6.61
New Zealand	21.18	22.70
Norway	16.43	3.22
Russia	13.04	8.81
South Korea	12.54	11.18
Switzerland	5.93	9.49
Türkiye	69.12	28.46
UK	19.31	6.44
EU	19.48	8.64

Notes: (1) The proportional changes are estimated in terms of possible business-as-usual exports, i.e., without the effects of graduation.

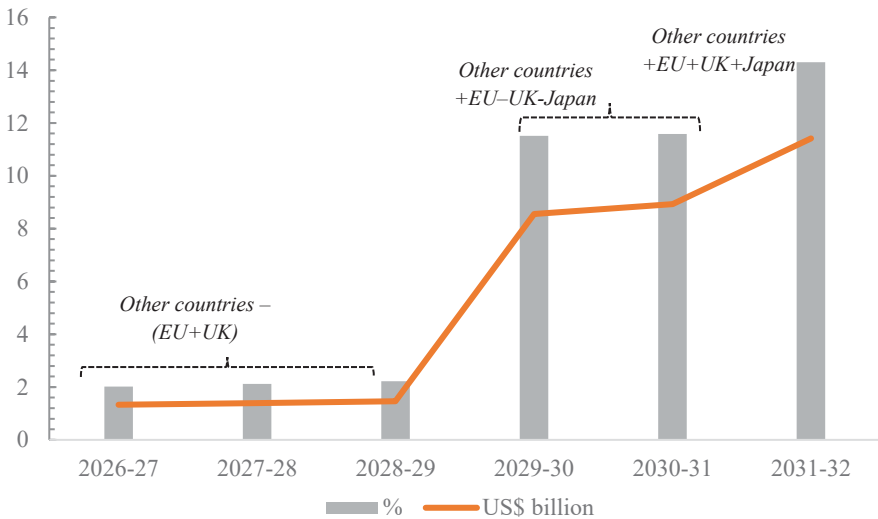
(2) Belarus and Iceland also provide GSP facilities to Bangladesh. However, the country’s exports to these destinations have been very small in recent years, less than US\$ 1 and 2 million, respectively in FY2022-23. Therefore, these countries have been dropped from the present analysis.

The results of the empirical simulation demonstrate that the LDC graduation would bring in the highest proportional decrease in Bangladesh’s merchandised exports to Türkiye among the countries except the EU and the UK, which would be followed by India, while the lowest proportional impact would be observed in exports

³⁵ Author’s simulation.

to Switzerland and Australia. In monetary terms, the loss would be the highest in India's market (about US\$ 764 million), which would be followed by Türkiye and Australia (about US\$ 358 and 130 million, respectively). This impact would be observed in the fiscal year 2026-27. Afterwards, when the major impact of graduation would start in 2029 with the removal of tariff preferences under GSP in the EU, the highest immediate loss of exports would be observed in Germany (US\$ 1.46 billion) followed by Spain, Denmark, France, and Italy (US\$ 1.02, 0.79, 0.76, and 0.57 billion, respectively). Finally, Bangladesh is scheduled to emerge as an upper-middle-income country, which would result in the removal of preference in the UK under the DCTS. Then the possible loss of exports to the UK would be US\$ 1.63 billion in fiscal year 2031-32. Japan's enhanced duty and quota-free market access would expire on 01 April 2031. Therefore, the immediate loss of goods exports to this country will be about US\$ 400 million in the same fiscal year.

Figure 1: Possible Impacts on Merchandised Exports³⁶



The MFN tariff would be applied to Bangladesh's exports by the EU members and the UK in November 2029. If the other countries that provide GSP and similar facilities do not follow the timeline of the EU members and the UK, the MFN tariff will be applied in 2026. Therefore, the effect of graduation would start in the fiscal year 2026-27. The decrease in exports would range from 2.02 to 2.22 per cent of total merchandised exports of Bangladesh to the world in the initial years, which would

³⁶ Author's dynamic simulation.

substantially increase to about 11.51 per cent in the fiscal year 2029-30 and 14.3 per cent in 2031-32 when the EU countries, Japan and UK will start imposing the MFN tariff on Bangladesh's products, respectively. The result of the present study is consistent with the result of the WTO study conducted in 2020 using the partial equilibrium model.³⁷

4. Policy Implications

Besides forming a high-level committee to assess, monitor and support the smooth graduation, the Economic Relations Division (ERD) of the Ministry of Finance of the GoB has been implementing a flagship project titled "Support to Sustainable Graduation Project (SSGP)".³⁸ The SSGP is closely linked with the Chief Adviser's Office (CAO) and other key ministries of the government including commerce and foreign affairs. It generates evidence to assess the magnitude and dimensions of the impacts of the graduation, and provides capacity development support to the government agencies and private sector including exporters through consultations and public events in order to sensitise the stakeholders towards devising the future course of action. In addition, cash incentives provided to the export sectors are being gradually reduced to promote self-reliance and resilience of these sectors as the WTO rules do not allow incentives after graduation.³⁹

The above empirical results reveal that Bangladesh would be exposed to a substantial loss of exports due to the imposition of the MFN tariff.⁴⁰ The RMG sector is likely to experience the most severe shock due to tariffs as currently the apparel products constitute about 85 per cent of the total merchandised exports. The most adverse effects would be experienced from the EU in terms of magnitude of export loss. The global apparel market is buyer-driven and highly competitive, and a small increase in tariff-laden prices in the importing market would lead to a considerable reduction in the quantity demanded of these items as Bangladesh mostly produces low to middle-range products. The other important products would also face substantial price competition due to graduation. Therefore, the country needs to undertake a range of *ex ante* measures to absorb shocks and secure market access after the graduation.

³⁷ WTO, *Trade Impacts of LDC Graduation*.

³⁸ "Economic Relations Division, Ministry of Finance, Government of the People's Republic of Bangladesh," accessed July 07, 2024, <https://ssgp.erd.gov.bd/>.

³⁹ "Bangladesh cuts cash incentive for exporters further," *The Daily Star*, July 01, 2024.

⁴⁰ According to a personal conversation with Dr Mohammad Abdur Razzaque on October 07, 2024, Bangladesh is currently enjoying a zero-duty facility on exports to the EU. But the country will have to pay up to 20 per cent duty after the graduation, which would considerably hurt the merchandised exports.

4.1 *Upgradation of the Export Sector*

The productivity of the workers engaged in the export sector must be enhanced substantially. According to the Asian Productivity Organization, the productivity of Bangladeshi workers is among the lowest in the global productivity landscape.⁴¹ Increasing productivity would result in increased output per worker and economies of scale, which would reduce per-unit cost of production. The wages of the workers can also be increased through enhanced productivity, which would provide the upper hand in the negotiations with the partner countries and blocs for inclusion in other preferential market access schemes after the graduation.

Bangladesh has the opportunity to strategically target the production of high-end apparel that intrinsically yields higher profit margins. By pivoting towards more complex and niche market segments, the country's exporters can justify higher prices, thereby counteracting the impact of preference erosion.⁴² Currently, the exporters are heavily tilted towards exporting cotton-based products, which should be drastically reduced by moving towards manmade fibre. This kind of industry transformation would require investments in research and development⁴³, installation of new machines, the encouragement of innovation, alignment of the sector with shifting consumer preferences, and enhanced collaboration with brands during product development. In addition, developing backward linkages, especially in the production of fabrics and other intermediate goods would significantly enhance both domestic value addition and export capabilities of the country. In this respect, Bangladesh needs to expand its fabric capacity. Capital-intensive production techniques through greater use of artificial intelligence and automation would reduce production costs and offset the impact of tariffs. On the other hand, the production of high-end design-driven products would help create the country's own brand and pave the way for collaboration with international brands.

Export diversification should be the top agenda in upgrading the export sector. The government of Bangladesh has been actively pursuing diversification strategies through various projects and policy initiatives over the years. Recent policy

⁴¹ APO, *APO Productivity Databook 2023* (Tokyo: Asian Productivity Organization).

⁴² Mohammad Abdur Razzaque, Deen Islam and Jillur Rahman, "Can Bangladesh Absorb LDC Graduation-Induced Tariff Hikes? Evidence Using Product-specific Price Elasticities of Demand and Markups for Apparel Exports to Europe," *Policy Brief*, November 2023, Research and Policy Integration for Development (RAPID), https://www.rapidbd.org/wp-content/uploads/2023/12/BGD-23078_Policy-Brief_BGD_LDC-Graduation-Tariff-Hikes_RAPID.pdf.

⁴³ In this regard, in a personal conversation on December 31, 2023, Mr Faruque Hassan, former President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has emphasised on the significance of strategies backed up by research and data to complement the ongoing support by the government for retention and sustenance of the RMG industry through export competitiveness after the LDC graduation.

documents such as the Eighth Five-Year Plan 2020-2025, the Second Perspective Plan 2021-2041, and the Export Policy of 2021-2024, emphasise the importance of export diversification. These policy documents identify challenges and current strategies and suggest recommendations for government agencies and the private sector. Recently, Bangladesh has made significant strides in plastic recycling, non-leather footwear and headgear, travel goods, electrical and electronics, furniture, and light engineering, which should be further enhanced. In addition, fish, vegetables and fruits should get greater importance subject to adherence to grading, standards, packaging and environmental and social compliance. To facilitate export diversification, the government has decided to introduce bonded warehouse facilities for ten sectors having high export potential, which include agro-processing, plastic, leather and leather goods, ceramics, and pharmaceuticals. The decision has to be implemented at the earliest with corresponding financial facilities and incentives consistent with the RMG sector.⁴⁴

Country branding and image-building lie at the core of any trade and market access negotiations. Bangladesh's RMG industry marked a significant stride in sustainable fashion. Currently, there are 232 leadership in Energy and Environmental Design (LEED)-certified green factories in the country.⁴⁵ As many as 54 out of the 100 LEED-certified green factories worldwide are located in the country which include 9 of the top 10, and 18 of the top 20 LEED-certified factories globally. Over 500 Bangladeshi factories are in the process of obtaining their LEED certification. These achievements should be capitalised and disseminated widely and used proactively to develop a positive image of the country as the largest source of sustainable apparel in the world.

4.2 Market Access after Graduation

Bangladesh needs to undertake an immediate strategy to retain duty-free market access in the EU after the LDC graduation. There are provisions for extending preferences beyond the graduation, as well as preferences designated for non-LDC developing countries. The country needs to engage actively with the EU to relax the safeguard measures on apparel products under the GSP scheme by referring simplified

⁴⁴ In a personal conversation on December 31, 2023, Mr Tapan Kanti Ghosh, former Senior Secretary of Ministry of Commerce, GoB, mentioned that these sectors will avail duty-free imports of raw material under the bonded warehouse facility like the export-oriented RMG sector. This initiative will facilitate export diversification and healthy competition among sectors.

⁴⁵ "2 new RMG factories earn LEED certification for sustainable practices," *The Business Standard*, December 23, 2024.

and relaxed system of safeguard measures in the UK's Duty-Free Tariff Preference Scheme so that the country can secure a similar treatment from the EU.⁴⁶

Bangladesh would apply for GSP+ subject to the ratification and implementation of 27 conventions on human rights, labour rights, environmental protection and good governance, and meeting certain vulnerability criteria.⁴⁷ At the same time, the EU needs to be satisfied on the state of implementation of the convention. The government is actively working on these issues, which should be accelerated before graduation.⁴⁸ Another option is to undertake Free Trade Agreement (FTA) with the EU. However, according to the immediate past EU envoy, the EU was not considering signing an FTA with Bangladesh in the near future.⁴⁹ However, after the change of government on 05 August 2024 followed by a student-led movement, the EU and other long-term development partners are strongly supporting the interim government of Bangladesh. Therefore, the country should actively pursue for the FTA or an Economic Partnership Agreement (EPA) with the EU that would facilitate preferential market access after the graduation. Vietnam, Bangladesh's main competitor of exports of RMGs in the global market, has already signed an FTA with the EU. If Bangladesh does not sign an FTA with the EU before November 2029, the country's exporters will have to pay about 12 per cent duty while Vietnam's exporters will enjoy duty-free access to the EU market.⁵⁰ Therefore, the market will be adverse for Bangladesh's exporters in its main export destinations. Bangladesh should actively engage Türkiye to avail GSP+ scheme after three years of transition period, which is similar to the EU.

Bangladesh would be eligible for the "Enhanced Preferences" regime under the DCTS as a lower-middle-income country at least for two years after the transition as

⁴⁶ According to a personal conversation with Professor Dr Mustafizur Rahman on December 31, 2023, the introduction of the DCTS ensures that Bangladesh would continue to get duty benefits to the UK market after Brexit. Dr Mohammad Abdur Razzaque opined that, the DCTS would greatly help Bangladesh make a smooth graduation because of the inclusion of various generous features of the scheme.

⁴⁷ For details of the preconditions of GSP+, please read "Generalised Scheme of Preferences Plus (GSP+)," accessed December 18, 2024, <https://trade.ec.europa.eu/access-to-markets/en/content/generalised-scheme-preferences-plus-gsp>.

⁴⁸ As opined by Ms Sharifa Khan, former Senior Secretary of ERD and Adviser to SSGP, in a personal conversation on November 12 2023, Bangladesh has signed all 32 conventions related to availing duty-free access under GSP+ of the EU after the graduation. However, there are some problems in implementation of the documents that may hinder the application and approval process of GSP+ for the country.

⁴⁹ Mr Charles Whiteley, former Ambassador and Head of Delegation of the European Union to Bangladesh, mentioned that the EU did not have interest in negotiating for signing an FTA agreement with Bangladesh. It is because of the degree of complexity, the wide-ranging nature and the stage development of its trade relations with Bangladesh. *The Business Standard*, October 27, 2022. Later, it was confirmed by Mr Whiteley in a personal conversation on September 11, 2023.

⁵⁰ Mohammad Abdur Razzaque, Jillur Rahman and Syful Islam, *The EU-Vietnam Free Trade Agreement: Implications for Bangladesh's Export Competitiveness* (Dhaka: Friedrich-Ebert-Stiftung [FES] Bangladesh and RAPID, 2024).

the country is set to attain an upper-middle-income status in 2031. By this period, the country should actively pursue for an EPA to continue access to the UK market. Bangladesh can continue to remain in the list of beneficiaries of tariff preference in Australia, New Zealand⁵¹ and Switzerland even after graduation from the list of UN's LDCs as long as these countries do not exclude Bangladesh from the list. Therefore, diplomatic engagement is imperative to continue preferential access in these markets.

Bangladesh's ongoing tariff preference in the Canadian market will be discontinued from 01 January 2035. The country will still be eligible for the General Preferential Tariff Plus (GPT+) scheme to obtain tariff benefits. However, Bangladesh needs to conform to international norms relating to sustainable development, and labour and human rights to secure the benefits of the GPT+. Therefore, the country should immediately start diplomatic negotiations with Canada to avail this scheme.

Bangladesh would be eligible for continuing tariff preferences in India and China under the applicable bilateral trade agreement. Currently, both Bangladesh and India were in negotiation for signing a Comprehensive Economic Partnership Agreement (CEPA), which has currently slowed down after the change of the government in Bangladesh. The GoB can consider accelerating negotiations so that it can be signed before the graduation keeping aside political and diplomatic differences⁵² subject to ensuring equitable and fair share of benefits from the CEPA or at least an FTA. In addition, Bangladesh should negotiate for a transition period after the graduation similar to the EU, the UK and Türkiye. On the other hand, China can grant a transition period of up to three years after graduation. Bangladesh should diplomatically engage in securing this period. In addition, the country can consider starting discussions for a suitable trade agreement. Finally, the country should immediately start discussions for a trade agreement with South Korea, as it does not provide any transition period after the graduation.

Finally, Bangladesh should capitalise the decisions made by international organisations to promote trade of the graduating LDCs through diplomatic negotiations. The General Council of the WTO decided on 23 October 2023 on the extension of support measures for graduating LDCs. The decision was made to

⁵¹ The list of LDC beneficiaries contained in legislation updated in January 2023 still lists Cape Verde, Equatorial Guinea, Maldives, Samoa and Vanuatu as LDCs, which have already graduated from the UN's list.

⁵² On December 08, 2024, the Foreign Adviser of the Interim Government of Bangladesh mentioned that amicable Bangladesh-India relations would be restored soon which would benefit trade and business of both the countries, Star Digital Report, "Foreign adviser hopes for amicable Bangladesh-India relations soon," *The Daily Star*, December 08, 2024, <https://www.thedailystar.net/news/bangladesh/news/foreign-adviser-hopes-amicable-bangladesh-india-relations-soon-3771061>.

encourage the providers of unilateral tariff or DFQF preference to continue such benefits for the graduating LDCs “to provide a smooth and sustainable transition period for withdrawal of such preferences”.⁵³ Therefore, the country should strive to obtain binding commitments from the WTO so that graduating LDCs continue to receive support from trade concessions in the post-graduation periods.⁵⁴ The Ministry of Commerce and the Ministry of Foreign Affairs should jointly pursue for gaining a six-year transition period in the EU after the graduation to allow recovery of the Bangladesh economy after the change of government, facilitate the export-oriented sectors to enhance domestic capacity to absorb shocks after the full graduation, create scope for a successful negotiation of a potential FTA with the EU, and help absorb negative spillover effects emanating from the protracted global economic slowdown and escalation of conflicts in the Middle East.

5. Conclusion

This paper serves as an important contribution to the literature on the implications of the LDC graduation for Bangladesh in terms of potential loss of exports. It applies a panel gravity model to assess the pattern of exports and tariff elasticity in the long run. The result and data on the tariff of partners have been plugged into an empirical simulation model to assess the possible impacts of graduation on the merchandised exports of Bangladesh. It reveals that the country would be exposed to substantial challenge in terms of loss of exports, and the apparel exports account for most of the loss. The UK, Germany, Spain, Denmark, France, Italy, Japan, Türkiye, and Australia are the countries in which Bangladesh is likely to lose export earnings the most after the graduation compared to the scenario of no graduation. The paper suggests a set of policy recommendations which includes upgradation of the export sector through enhancing labour productivity, creating backward linkage, export diversification, and country branding and image-building as the world’s most sustainable supplier of apparels. The country also needs to consider undertaking trade agreements with the EU and important export destinations including India, the UK, South Korea, China and Türkiye in the form of free trade or economic partnership agreements. In addition, it should take preparation to apply for GSP+ to the EU and Türkiye. Finally, it should diplomatically engage with the major providers of tariff or DFQF preferences to continue the duty-free export in line with the decision of the WTO General Council.

⁵³ “General Council Decision on Extension of Unilateral Duty Free and Quota Free Preferences in Favour of Countries Graduated from the LDC Category,” WTO, WT/L/1172, October 23, 2023, <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q%3A/WT/L/1172.pdf&Open=True>.

⁵⁴ In a personal conversation on March 11, 2024, Dr Mostafa Abid Khan, former Member of the Bangladesh Trade and Tariff Commission, opines that even though its decision is not obligatory for the providers, it bears a strong message to them to extend the ongoing support measures for the upcoming graduates like Bangladesh.

Annex

Table A1: Graduation Timeline⁵⁵

Year	Countries
1994	Botswana
2007	Cabo Verde
2011	Maldives
2014	Samoa
2017	Equatorial Guinea
2020	Vanuatu
2023	Bhutan
2024	São Tomé and Príncipe
2026	Bangladesh, Lao PDR, Nepal
2027	Solomon Islands

Table A2: EU Tariff Rates Under Standard GSP and Bangladesh’s Exports⁵⁶

Tariff Rates (%)	EU Imports from Bangladesh		Number of Bangladesh’s product lines in the EU
	Million US\$	%	
0	251.9	1.31	2,707
SD only	1.3	0.01	94
0.1–2.9	56.4	0.29	325
3–4.9	695.7	3.61	340
5–7.9	347.9	1.80	431
8–9.9	17,654.7	91.52	411
10–11.9	234.6	1.22	63
12–15	47.8	0.25	78
15.1–20	0.1	0.0004	24
Above 20	0.3	0.0017	17
Total	19,290.7	100	4,490

⁵⁵ “LDC Portal - International Support Measures for Least Developed Countries,” United Nations, accessed December 26, 2023, <https://www.un.org/lcdportal/content/countries-approaching-graduation-and-graduated>.

⁵⁶ Mohammad A. Razzaque, Hamim Akib and Jillur Rahman, “Bangladesh’s Graduation from the Group of LDCs: Potential Implications and Issues for the Private Sector,” in *Navigating New Waters: Unleashing Bangladesh’s Export Potential for Smooth LDC Graduation*, ed. Mohammad A. Razzaque (Dhaka: Bangladesh Enterprise Institute, 2020), 53–92.

Table A3: Bangladesh's Merchandised Exports to Important Destinations under LDC Status, FY2022-23⁵⁷

Country	US\$ million	Country	US\$ million	Country	US\$ million	Country	US\$ million
Austria	96.2	Germany	7,079.8	Croatia	67.7	New Zealand	131.9
Australia	1,259.2	Denmark	1,316.7	Hungary	217.8	Norway	68.8
Belgium	944.7	Spain	3,683.4	India	2,129.5	Poland	1,851.7
Bulgaria	2.7	Finland	60.1	Japan	1,901.6	Portugal	143.9
Canada	1,721.7	France	3,291.7	South Korea	623.8	Russia	460.4
Switzerland	99.3	Greece	90.5	Lithuania	2.7	Romania	65.6
Chile	171.9	Italy	2,391.5	Luxembourg	2.9	Sweden	965.3
China	677.4	Ireland	254.2	Latvia	2.6	Slovenia	106.8
Cyprus	9.4	Estonia	2.5	Malta	0.7	Slovakia	97.0
Czechia	397.4	UK	5,310.1	Netherlands	2,089.7	Türkiye	495.8

Table A4: Bangladesh's Preferential Market Access in Important Destinations under LDC Status⁵⁸

Importing market	Scheme	Coverage of DFQF/ preferential tariffs	Consequences after graduation
Australia	Australian System of Tariff Preferences (ASTP) (GSP) grants DFQF entry for LDCs	100%	The ASTP does not have an automatic mechanism to remove countries from the list of beneficiaries after graduation. The Australian Government would require to amend the list of beneficiaries. Countries export under the standard GSP, applicable regional agreements, or MFN after removal from the list of LDC beneficiaries.
Canada	LDC Tariff Programme	98.9%	Canada created the authority for a new General Preferential

⁵⁷ Export Promotion Bureau database.

⁵⁸ Summarised from United Nations, "LDC Portal". The information is updated based on other cited sources.

	(LDCT). Extended until 31 December 2034	(excluding dairy and other animal products, meat, meat preparations, cereal products).	Tariff Plus (GPT+) scheme that intends to provide tariff benefits to countries that conform to international norms relating to sustainable development, and labour and human rights. Export under the Generalised Preferential Tariff, any applicable regional agreements, or MFN after removal from the list of LDCT beneficiaries.
Chile	DFQF scheme for LDCs. It fixes to 0 per cent the customs duties on imports of goods originating from LDCs ⁵⁹	99.5% (excluding cereals, sugar, milling products)	The Ministry of Finance reviews the list of beneficiaries every 3 years to ensure it reflects the updated list of LDCs. Countries export under MFN after removal from the list of beneficiaries.
China	Duty-free treatment for LDCs that have diplomatic relations with China	98%	Preferential treatment may be extended for up to three years after graduation. Thereafter, countries export under the applicable bilateral or regional agreements or MFN.
The EU	Everything-But- Arms (EBA) initiative within the GSP scheme. Applies to all LDCs, but EBA preferences can be withdrawn in	99.8% (excludes arms and ammunition)	Under the current regulation, graduated countries continue to benefit from the EBA for 3 years after graduation, after which they export under the standard GSP, MFN or applicable Economic Partnership Agreements. If they meet specific criteria, they

⁵⁹ UNCTAD, *Handbook on Duty-Free and Quota-Free Market Access and Rules of Origin for Least Developed Countries (Part II: Other Developed Countries and Developing Countries)* (Geneva: UNCTAD, 2018).

	certain exceptional circumstances, notably in case of serious and systematic violation of principles of human rights and labour rights conventions.		can apply to join the Special Arrangement for Sustainable Development and Good Governance (GSP+). Eligibility for GSP+ is contingent on the ratification and implementation of 27 conventions on human rights, labour rights, environmental protection and good governance, and meeting certain vulnerability criteria.
India	Duty-Free Tariff Preference (DFTP) scheme for all LDCs. ⁶⁰ It is a unilateral non-reciprocal preferential tariff scheme. ⁶¹	98.2%	Countries export under applicable regional or bilateral agreements or MFN
Japan	GSP - Enhanced duty and quota-free market access. Extended until 31 March 2031	97.8% (excludes fish and crustaceans, footwear, milling products, cereal products, sugar)	Countries export under the standard GSP or applicable regional agreements.
New Zealand	GSP - Tariff treatment for LDCs. New	100%	Removal from the list of beneficiaries is not automatic after graduation from the UN's

⁶⁰ The country also receives preferential market access in India under the South Asia Free Trade Arrangement (SAFTA) and the Asia-Pacific Trade Agreement (APTA), International Trade Centre, *India's Duty-Free Tariff Preference Scheme for LDCs: A Business Guide* (Geneva: ITC, 2015).

⁶¹ Murali Kallummal, Aditi Gupta and Abhijit Das, *Utilising India's Duty Free Preference Scheme for LDCs: Analysis of the Trade Trends* (New Delhi: Indian Institute of Foreign Trade, September 2013).

	Zealand regulation refers “LDCs” to “less developed countries” which includes a broader category of developing countries		LDC category. After removal from the list of New Zealand, countries export under the standard GSP scheme, applicable regional agreements or MFN
Norway	GSP - DFQF market access for LDCs (GSP zero)	100%	Export under the standard GSP or MFN
South Korea	Presidential Decree on Preferential Tariff for LDCs	89.4% (excludes fish and crustaceans, mineral fuels, oil seeds and oleaginous fruits, wood products, vegetables)	Export under MFN or the applicable regional agreements right after graduation.
Russian Federation	GSP scheme in line with Eurasian Economic Union’s Common System of Tariff Preferences	61.2% (excludes transport vehicles, machinery and mechanical appliances, beverages, iron and steel products, electrical machinery,	Export under the standard GSP or MFN

		meat products and articles of wood)	
Switzerland	GSP - Revised Preferential Tariffs Ordinance	100%	Switzerland periodically amends the list of beneficiaries of its LDC scheme. Countries export under the standard GSP or MFN after removal from the list of beneficiaries.
Türkiye	GSP	78.2% (excludes iron and steel products, fish and crustaceans, food preparations, meat, oil seeds and oleaginous fruits).	Smooth transition period of three years. Türkiye has a GSP+ scheme similar to the EU. Countries can apply to GSP+ or will trade under the GSP and MFN after graduation.
The UK	Developing Countries Trading Scheme (DCTS)	99.8% (excludes arms and ammunition)	A three-year transition period after graduation. Low-income and lower-middle income countries can accede to the “Enhanced Preferences” regime under the DCTS. ⁶² Graduates export under GSP, MFN or applicable Economic Partnership Agreements.

⁶² “Developing Countries Trading Scheme (DCTS),” UK Government, accessed January 29, 2024, <https://www.gov.uk/government/collections/trading-with-developing-nations>.

Md Jahan Shoieb

GO-NGO COOPERATION IN PREVENTING HUMAN TRAFFICKING FROM BANGLADESH: CHALLENGES AND WAY FORWARD

Abstract

Bangladesh faces challenges of human trafficking, affecting men, women and children both as a source and destination country. To fight this menace from society, cooperation between Government Organisations (GOs) and Non-Government Organisations (NGOs) is crucial in preventing human trafficking in vulnerable a country like Bangladesh. While the government is the key stakeholder in formulating laws and policies to prevent criminal activities like human trafficking, NGOs have the scope to work for the prevention, protection, reintegration and rehabilitation of trafficked persons as well as populations at risk. This paper tries to assess the level of cooperation between GOs and NGOs in preventing human trafficking from Bangladesh, identify key challenges and provide some policy suggestions. The study reveals that although there are some arrangements for GO-NGO cooperation in Bangladesh, those are yet to create a meaningful synergy to eradicate the menace of human trafficking from the country. Hence, more formalised and institutionalised collaboration is required for enhanced GO-NGO cooperation in preventing human trafficking from Bangladesh.

Keywords: GO, NGO, Human Trafficking, Transnational Crime, Civil Society Organisation.

1. Introduction

Human trafficking is a heinous crime that plagues societies worldwide, exploiting helpless individuals for various forms of involuntary labour, sexual exploitation, and organ trading. It is a crime that associates attractive profit with minimal risk.¹ Considering the victims' situation, this crime is termed modern-day slavery in contemporary times.² Its rapid intensity and adverse societal implications have become a major global concern. It is a serious crime that almost every country in the world suffers from either as a place of origin, transit, or destination.³ Trafficking, by

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¹ "What Fuels Human Trafficking?" UNICEF USA, accessed January 13, 2017, <https://www.unicefusa.org/stories/what-fuels-human-trafficking>.

² Arif Ahmed, "Combating Sea-Route Human Trafficking in Bangladesh: A Critical Analysis on Legal and Institutional Framework," *Asian Journal of Research in Social Sciences and Humanities* 6, no. 7 (2016): 969.

³ "Counter-Trafficking in Emergency Contexts," International Organization for Migration, accessed February 01, 2025, <https://emergencymanual.iom.int/counter-trafficking-emergency->

and large, is an age-old incident. From the 16th to 19th century, the term “human trafficking” was viewed distinctly that we perceive it today and mostly manifested as forms of slavery and forced labour. During that time, the transatlantic slave trade was widespread that forcibly led the transportation of millions of Africans to the Americas. Although this trade was widely abandoned in the early 19th century because of the abolition movements, its legacy is still prevalent and influences the patterns of global trafficking. However, after the Second World War, the global community experienced extreme human rights violations, human dignity exploitation and resultant human trafficking.⁴ By that time, trafficking in persons was accepted globally as a crime against humanity. Gradually, the UN and other supra-national organisations started to declare a fight against this heinous crime.⁵ Realising the need for a more organised and comprehensive response to the menace, the UN has included it in the targets of the United Nations (UN) Sustainable Development Goals (SDGs) and the Global Compact for Safe, Orderly, and Regular Migration (GCM). Thus, combating the challenges of human trafficking has been recognised and accepted as a global mission.

Because of its dense and large population, South Asia has become one of the most trafficking-prone regions of the world. According to an estimate by the United States (US) State Department, among the 1 to 2 million global trafficking victims, the majority originate from Asia.⁶ Bangladesh, with its high population and complex socio-economic conditions, is particularly susceptible to human trafficking. Among various causes, economic hardship is the most salient jeopardy factor making people susceptible to trafficking. Traffickers usually try to exploit the poor and aggregate their vulnerabilities by giving them false promises of better income-generating opportunities.

Climate change is viewed as another significant factor in human trafficking from Bangladesh. Traffickers also target those particular segment of society who become affected by various natural disasters due to climate change such as droughts, floods, and cyclones which often erode livelihood opportunities and heighten the levels of vulnerability.⁷ In this aspect, both the First National Study on Trafficking in Persons

contexts#:~:text=Human%20trafficking%20happens%20anywhere%20in,%2C%20and%20For%20sexual%20exploitation.

⁴ Kawshar Jahan, “Role of NGOs in Prevention of Women and Children Trafficking in Northern Border Areas of Bangladesh,” Dissertation for the Degree of Master in Public Policy and Governance, Department of General and Continuing Education, North South University, accessed January 31, 2025, http://www.northsouth.edu/newassets/files/ppg-research/ppg-1st-3rd-batch/339_Thesis-Kawshar%20Jahan.pdf.

⁵ Jahan, “Role of NGOs in Prevention of Women and Children”.

⁶ Jahan, “Role of NGOs in Prevention of Women and Children”.

⁷ UNODC, *Global Report on Trafficking in Persons* (Vienna: UNODC, 2020); also see, UNODC, *First National Study on Trafficking in Persons in Bangladesh* (Vienna: UNODC, 2022).

in Bangladesh and the 2022 United Nations Office on Drugs and Crime (UNODC) Global Report on Trafficking in Persons (GLOTIP 2022) identified climate change-induced environmental disasters as one of the key drivers of human trafficking from Bangladesh along with cyber-enabled human trafficking, trafficking by marriage and trafficking for forced labour. The GLOTIP 2022 also found that the number of victims has reduced which indicates that the traffickers have become more active and have developed new ways to evade law enforcement agencies.⁸

In the context of Bangladesh, the issue of human trafficking has appeared as a major problem due to its transnational nature.⁹ The country, in recent decades, has appeared as a source as well as a transit country for male, female and child trafficking. In Bangladesh, human trafficking occurs mainly for forced labour and commercial sexual exploitation.¹⁰ According to the global report of the UNODC, Bangladesh is one of the most affected countries by intra-regional trafficking in South Asia and most importantly, India is a major destination country. As per studies, a good number of Bangladeshis are trafficked to neighbouring countries.¹¹ Besides, Bangladeshi people are also trafficked to Southeast Asian countries (e.g., Malaysia, Brunei, and Thailand); Middle Eastern countries (e.g., Saudi Arabia, Qatar, Oman, Iraq, and Libya); and some European countries (e.g., Greece, Italy, Portugal, Spain, and Cyprus). There is a general perception that mostly women and children are trafficked and smuggled to neighbouring countries. However, in recent years, it has been revealed that men are also becoming victims of human trafficking and being trafficked to various countries.¹² Likewise, in the last four years consecutively, Bangladesh has been in Tier II in the Trafficking in Persons Report published by the US State Department in 2023. A practitioner working actively in this field has also recognised that the current scenario of human trafficking from Bangladesh is alarming since a huge number of people are being trafficked every year in various illegal ways.¹³

⁸ Interview with a Representative of UNODC, conducted in September 2023.

⁹ Interview with Mr Asif Munier, an Independent Consultant working on irregular migration issues, conducted in July 2023.

¹⁰ Md Ruhul Amin and Md Rashidul Islam Sheikh, "Trafficking Women and Children in Bangladesh: A Silent Tsunami of Bangladesh," *Journal of Economics and Sustainable Development* 2, no. 4 (2011): 202–211.

¹¹ SM Azharul Islam, "Human Trafficking: A Key Security Challenge for Bangladesh," *BIPSS Commentary*, accessed February 01, 2025,

<https://bipss.org.bd/pdf/Human%20Trafficking%20A%20Key%20Security%20Challenge%20for%20Bangladesh.pdf>; "Bangladesh: Interview with Prof. Zakir Hossain on Human Trafficking," UNODC, accessed January 31, 2025, https://www.unodc.org/southasia/frontpage/2009/September/bangladesh_-interview-with-prof.-zakir-hossain-on-human-trafficking-.html#:~:text=A%20UNICEF%20report%20says%20that,in%20the%20last%20ten%20years.

¹² Interview with Mr Asif Munier.

¹³ Interview with Mr Bijay Basak, ADG of Bangladesh Police, Government of the People's Republic of Bangladesh, conducted in July 2023.

As the prime actor, the Government of Bangladesh (GoB) has been making significant efforts to eradicate human trafficking. The Ministry of Home Affairs (MoHA) has been playing the leading role and other ministries like the Ministry of Foreign Affairs (MoFA) and the Ministry of Expatriates' Welfare and Overseas Employment also play crucial roles in this regard. At various times, the government has enacted several laws to reduce human trafficking. As the issue is a transnational one, Bangladesh is a signatory to important regional and global instruments for preventing human trafficking.

Besides the government, non-government organisations (NGOs), as part of the Civil Society Organisation (CSO), prevent human trafficking significantly. For a long time, NGOs have been playing a crucial role in curbing human trafficking and they are directly involved in numerous prevention activities. They often take prevention measures including awareness building, income generation, and capacity building activities, among others. Their activities, nonetheless, have positive impacts on society which are reflected in people's growing awareness of this issue. Due to their various preemptive steps, the number of trafficking activities has not increased noticeably, if not reduced.¹⁴ This indicates that addressing this grave issue requires more concerted efforts from both Government Organisations (GOs) and NGOs in coming days.

Against this backdrop, this article is an attempt to explore the challenges faced by GO-NGO cooperation in preventing human trafficking from Bangladesh and suggests a way forward to strengthen collaborative efforts in this aspect. To address this, a number of research questions have been posed: What are the current state of cooperation between the government and NGOs in preventing human trafficking from Bangladesh? What are the prevailing challenges in GO-NGO cooperation in preventing human trafficking from Bangladesh? How to enhance the level of cooperation between these two entities to eradicate human trafficking? The paper has been divided into five sections to answer the research questions. After the introduction, section two is on reviewing the existing literature. Section three elaborates on GO-NGO collaboration by bridging the key concepts. Section four sheds light on the state of GO-NGO cooperation in preventing human trafficking. Section five discusses challenges in the way of GO-NGO cooperation and section six concludes the paper with some recommendations.

The study is exploratory in nature and primarily based on qualitative analysis of data collected from both primary and secondary sources. Primary sources include key

¹⁴ Jahan, "Role of NGOs in Prevention of Women and Children Trafficking".

informant interviews of practitioners, policymakers, academicians, and security analysts, while secondary sources include relevant books, journal articles, newspaper reports, and think tank reports.

2. Reviewing Existing Literature

2.1 *Realising GO-NGO Cooperation in Addressing Human Trafficking*

Transnational organised crimes pose various challenges to global peace, security and stability. In recent years, transnational criminal groups have tended to transcend national borders and engage in different types of criminal activities such as human trafficking, drug trafficking, arms smuggling and money laundering. Addressing a complex transnational crime like human trafficking requires a collaborative approach involving both the government and the NGOs. As a part of civil society, NGOs play a crucial role in addressing organised crime like human trafficking through monitoring, advocacy and service provision. In Bangladesh's context, NGOs primarily work at the grassroots level in advocacy and awareness building on human trafficking.¹⁵ They mobilise public opinion and facilitate policy formulations to combat human trafficking effectively.¹⁶

Over the decades, CSOs have acted as effective watchdogs. They are vigilant about government actions and play a substantial role in holding states accountable. Their abilities to extract and disseminate information enhance the intelligence resources of law enforcement agencies.¹⁷ NGOs implement community-based programmes to address the root causes of criminal behaviour, which primarily source from illiteracy and poverty. By providing alternative means of livelihood, they can substantially reduce vulnerabilities to organised trafficking networks.¹⁸ Worldwide there are empirical evidences of NGOs working with the government to address the vulnerabilities of human trafficking. For example, in Eastern Europe, NGOs jointly work with law enforcement agencies to address trafficking in persons. Moreover,

¹⁵“Trafficking of Women and Children,” USAID Bangladesh, accessed January 30, 2025, https://pdf.usaid.gov/pdf_docs/Pdabw357.pdf.

¹⁶“Action against Trafficking in Human Beings,” Council of Europe, accessed January 30, 2025, <https://www.coe.int/en/web/anti-human-trafficking/role-of-ngos>.

¹⁷ Louise Shelley, “Human Smuggling and Trafficking into Europe: A Comparative Perspective,” February 2014, Migration Policy Institute, accessed January 31, 2025, <https://www.migrationpolicy.org/research/human-smuggling-and-trafficking-europe-comparative-perspective>.

¹⁸ Caroline M. Petrilla, “NGO roles in promoting restorative juvenile justice programmes,” European Forum for Restorative Justice, accessed January 31, 2025, <https://www.euforumrj.org/ngo-roles-promoting-restorative-juvenile-justice-programmes>.

programmes offering victim support and rehabilitation services have proven effective in reintegrating trafficking victims and reducing recidivism among perpetrators.¹⁹

Like the above case, the GO-NGO cooperation in combating human trafficking may become effective in Bangladesh since the country contains a large population within a small landmass. As of now, the GoB has endorsed the importance of GO-NGO cooperation to address this concern. In 2022, a joint Secretary of the Cabinet Division stated that the Constitution of Bangladesh upholds the vision of creating a country free of hunger, poverty and exploitation. Attaining these goals without cooperation from the NGOs will not be easy to address since they are counted as one of the important partners of the government. He also mentioned that the cabinet division of the government has taken initiatives to institutionalise the “GO-NGO Collaboration Platform”.²⁰

Apart from this, the notion of collaborative stakeholder relationships is becoming crucial in the twenty-first century. Empirical evidence suggests that a meaningful public-private partnership can help a government to ensure good governance in a particular sector.²¹ Collaborative action is particularly required in dealing with transnational organised crimes like human trafficking. An effective GO-NGO partnership has the potential to eradicate the menace of human trafficking in a more effective way as the problem is complex and it is difficult for the government to resolve this solely by itself.

2.2 Human Trafficking and Migrant Smuggling: A Brief Overview

In the lexicon of criminal justice or social work, the terms “human trafficking” and “migrant smuggling” are related to the illegal movement of people and the issues of forced labour and sexual exploitation. Although these two terms denote different crimes, they are used interchangeably. Hence, the distinction between these two terms is crucial for implementing sound government policies. A major difference between these two categories is that victims of trafficking are typically considered victims under international law since they are coerced into abuse and exploitation. However, the smuggled migrants are not labelled as such because they usually pay the smugglers

¹⁹ “Law Enforcement Manual to Combat Trafficking in Human Beings,” International Centre for Migration Policy Development, accessed February 01, 2025, <https://www.icmpd.org/file/download/54287/file/Law%20Enforcement%20Manual%20to%20Combat%20Trafficking%20in%20Human%20Beings.pdf>.

²⁰ “Workshop Introduces GO-NGO Collaboration Platform,” September 26, 2022, BRAC, accessed February 01, 2025, <https://www.brac.net/latest-news/item/1361-workshop-reintroduces-go-ngo-collaboration-platform>.

²¹ Iram Ejaz, Babar T Shaikh and Narjis Rizvi, “NGOs and government partnership for health systems strengthening: A qualitative study presenting viewpoints of government, NGOs and donors in Pakistan,” *BMC Health Services Research* 11 (2011): 122, <https://doi.org/10.1186/1472-6963-11-122>.

for their illegal movement across borders despite knowing the danger and exploitive conditions along the way.

According to a document from the US Department of State, the crime of human trafficking generally involves the exploitation of a person for commercial sex acts or forced labour through the use of fraud, coercion, or use of force.²² A reflection of this definition can be found in various international legal documents including the instruments of the UN. The term human trafficking generally suggests movement; however, to label it as human trafficking no cross-border movement is necessarily required. In human trafficking, individuals are compelled to be transported against their will. Anyone can be a victim of trafficking including men, women, transgender, children, adults, citizens, or non-citizens alike.²³

On the contrary, migrant smuggling occurs voluntarily. It generally occurs when a person agrees with a migrant smuggler to facilitate his/her crossing the international border and illegally entering a foreign country. Migrant smuggling usually means procurement to gain material or financial benefits by enabling illegal entry.²⁴ Considering the distinct nature of these two, this study has focused mainly on the issues related to human trafficking.

Table 1: Key Differences between Human Trafficking and Migrant Smuggling²⁵

	Human Trafficking	Migrant Smuggling
Action (s)	<ul style="list-style-type: none"> • Transfer, transportation, recruitment, or receipt of a person generally by use of coercion, force, fraud, abduction, deception, or giving or receiving any financial benefits. 	<ul style="list-style-type: none"> • Illegally “procure” a person to facilitate illegal entry to a county in which the person is not a citizen or permanent resident.
Transnationality	<ul style="list-style-type: none"> • Not required 	<ul style="list-style-type: none"> • Required

²² “Human Trafficking and Migrant Smuggling: Understanding the Difference,” Office to Monitor and Combat Trafficking in Persons, accessed February 01, 2025, <https://www.state.gov/wp-content/uploads/2019/02/272325.pdf>.

²³ “Human Trafficking and Migrant Smuggling,” Office to Monitor and Combat Trafficking in Persons.

²⁴ “Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organized Crime,” United Nations Human Rights Office of The High Commissioner, accessed January 31, 2025, <https://www.ohchr.org/en/instruments-mechanisms/instruments/protocol-against-smuggling-migrants-land-sea-and-air>.

²⁵ UNODC, *Anti-Human Trafficking Manual for Criminal Justice Practitioners* (Vienna: UNODC, 2009).

Consent	<ul style="list-style-type: none">• As the means are established the question of consent is irrelevant• If the victim is a child, the issue of consent is irrelevant	<ul style="list-style-type: none">• Usually, a smuggled person gives consent to the smuggling
Purpose	Different types of exploitation include: <ul style="list-style-type: none">• Prostitution or other kinds of sexual violence• Different kinds of forced labour• Slavery or similar practices• Involuntary servitude• Removal of organs	<ul style="list-style-type: none">• For financial or other material benefits

Source: Compiled by Author, 2024.

The Table 1 above shows major differences between human trafficking and migrant smuggling. It is important to differentiate between human trafficking and migrant smuggling because it sometimes can create confusion among immigration officers, law enforcement agencies, policymakers and the relevant authorities in civil society organisations who are often involved in dealing with the victims of both the categories. also, it is crucial to understand these two notions for ensuring appropriate legal frameworks and support systems.

When human trafficking is confused with migrant smuggling, there is a concern that trafficking victims may become deprived of proper protections, services, or legal assistance to which they are entitled and may be vulnerable to being re-exploited. This is why national immigration as well as anti-trafficking laws need to provide proper definitions of human trafficking and migrant smuggling. At the same time, human trafficking awareness training is also important for law enforcement, immigration, and judicial officers. It is crucial to enhance the capacity of law enforcement officials to screen migrants.²⁶ Another factor that complicates the human trafficking situation in a country like Bangladesh is the gap in defining and criminalising the smuggling of migrants. As mentioned before, human trafficking and migrant smuggling are interconnected but separate crimes. The inability to address migrant smuggling as per the legal regime in Bangladesh is a major challenge for criminal justice practitioners. Moreover, migrant smuggling cases are often filed as human trafficking cases due to the absence of dedicated legal provisions, which is a challenge for field-level officers working with limited resources. In this aspect, the First National Study on human

²⁶ “Human Trafficking and Migrant Smuggling,” Office to Monitor and Combat Trafficking in Persons.

trafficking in Bangladesh recommends developing a national legislative and policy response to migrant smuggling.²⁷

2.3 Human Trafficking in Bangladesh: Existing Perspectives

There is a plethora of literature concerning human trafficking from Bangladesh. Different literature on human trafficking in Bangladesh focuses on various dimensions of the issue. Eshita for example, in her paper titled “Human Trafficking: Review of the Respective Act and Its Enforcement in Bangladesh” highlighted the deterioration of internal and external scenarios of human trafficking in Bangladesh.²⁸ In his article, Suwendu points out that Bangladesh is one of the transit and source countries of human trafficking.²⁹ Ruhi in her scholarly work titled “Human Trafficking in Bangladesh: An Overview” investigated the global trafficking industry and found it as one of the fastest-growing criminal nexuses. She mainly highlighted on the worldwide supply and demand aspects contributing to human trafficking.³⁰ Chowdhury in his article titled “Trafficking in Person in Bangladesh” took an endeavour to find the nexus between corrupt recruiting agencies, village-level brokers, officials, and regional gangs associated with human trafficking.³¹

Several studies partially discuss the roles of governments, NGOs, and International non-government organisations (INGOs) in combating or reducing human trafficking. Ahmed, for example, mentioned that to implement the National Plan of Action 2012-2014, different ministries of GoB, INGOs, and NGOs should work together.³² Gazi, et al. conducted a study on the current activities of various local NGOs to address human trafficking considering the underlying factors, the magnitude of the problem, and the modes and consequences of trafficking.³³ Siddiqui, et al. conducted a research on women and child trafficking in Bangladesh and their study reveals that the issue of human trafficking is tapped into confusion mainly because of various confusions regarding statistics, legal framework, and other aspects of human trafficking.³⁴ Amin and Sheikh in their article titled “Trafficking Women and

²⁷ Interview with an Official of UNODC, conducted in July 2023.

²⁸ Fahmida Sarwar Eshita, *Human Trafficking: Review of the Respective Act and Its Enforcement in Bangladesh* (Dhaka, Bangladesh: Proceedings of 50th IASTEM International Conference, 2017).

²⁹ Suwendu Biswas, *Human Trafficking in Bangladesh: An Overview* (Dhaka, Bangladesh: Foreign Affairs Insights and Reviews (FAIR), 2015).

³⁰ Ruh Afza Ruhi, “Human Trafficking in Bangladesh: An Overview,” *Asian Affairs* 25, no. 4 (2003): 45–56.

³¹ Mohammad Barad Hossain Chowdhury, “Trafficking in Person in Bangladesh,” *Resource Materials Series*, no. 89 (2013): 55–61.

³² Ahmed, “Combating Sea-Route Human Trafficking in Bangladesh”.

³³ Rukshan Gazi and Ziaul H. Chowdhury, *Trafficking of Women and Children in Bangladesh: An Overview* (Dhaka: icddr, 2001).

³⁴ Tasneem Siddiqui, Rozana Rashid, Rezwanul Karim and Nahid Alam, *Trapped in Confusion: The Trafficking of Women and Children from Bangladesh* (Dhaka: RMMRU, 2006).

Children in Bangladesh: A Silent Tsunami of Bangladesh” separately mentioned the roles of government and NGOs that are pertinent in preventing human trafficking.³⁵

Anwary in her article titled “Anti-Sex trafficking movement of Bangladesh and the Theories of Transnational Social Movement” looked into anti-sex trafficking movements in Bangladesh in terms of law enactment.³⁶ However, it falls short of commenting on the prevention activities of various NGOs. Asian Development Bank (ADB) in its trafficking-related country report on Bangladesh predominantly highlighted mainstreaming trafficking concerns in the country’s poverty reduction programmes. It is further mentioned that in prevention activities, mainly two components are targeted: awareness building and community empowerment in Bangladesh. Although the initiatives of different ministries and NGOs are discussed in the report, it does not evaluate the strengths and weaknesses of different initiatives.³⁷

The discussion on reviewed literature demonstrates that there is a good number of studies about human trafficking in Bangladesh. These studies, so far, mainly shed light on nature, routes, modes, areas, causes, consequences, and to some extent prevention measures of human trafficking in Bangladesh. It is also observed that almost all the studies discussed above, focused mainly on four key components of human trafficking: prevention, protection, prosecution, and reintegration. Emphasis is also given to the necessity of integrated effort of relevant stakeholders including government, NGOs, civil society, and others involved in anti-trafficking policy formulation and implementation. Some studies have specifically dealt with what NGOs are doing at present. However, literature focusing on cooperation between the government and NGOs is scanty and this shows a significant research gap in this field. Therefore, the proposed study is an endeavour to fill the void by providing a discussion on cooperation between the government and NGOs in preventing human trafficking from Bangladesh.

3. GO-NGO Collaboration: Bridging the Key Concepts

Human trafficking is often a transnational phenomenon. However, a person can also be trafficked within the border of her/his country. For example, a girl or woman can be trafficked and sold to a brothel in her country which is a manifestation of national-level human trafficking. In recent decades, human trafficking and migrant smuggling have been increasing at a rapid pace. Particularly trafficking of women or

³⁵ Amin and Sheikh, “Trafficking Women and Children in Bangladesh”.

³⁶ Afroza Anwary, “Anti-Sex Trafficking Movement of Bangladesh and the Theories of Transnational Social Movement,” *Social Thought & Research* 28 (2007): 109–142.

³⁷ ADB, *Combating Trafficking of Women and Children in South Asia* (Dhaka: ADB, 2003).

girls for the global sex industry has been spreading fast to new regions and has become a major part of the illicit global economy.³⁸ Thus, this paper mainly analyses human trafficking from a transnational perspective.

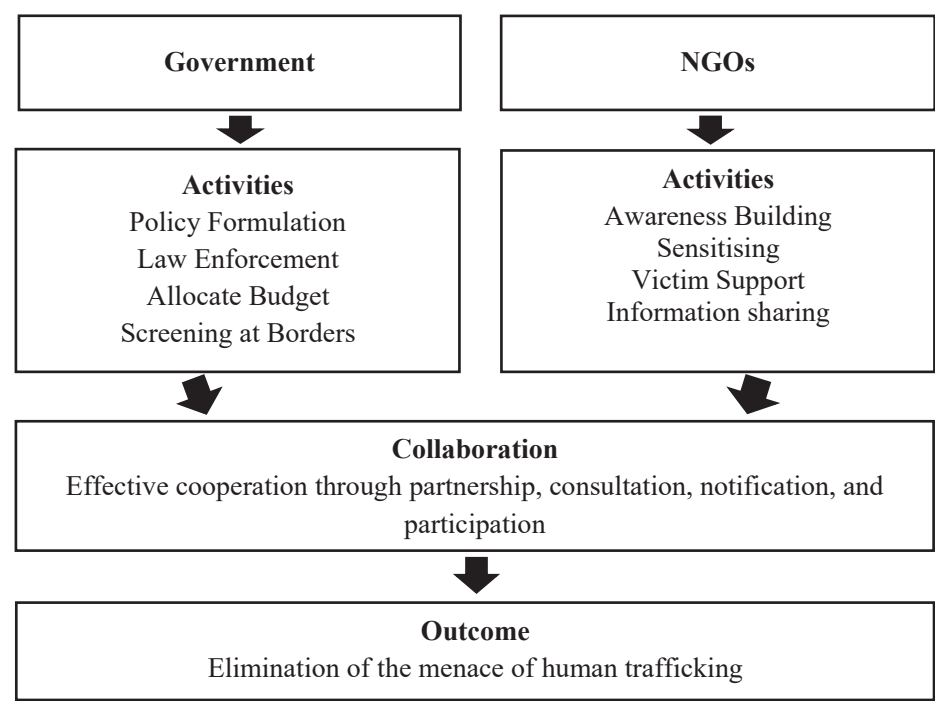
The crimes related to human trafficking undermine the safety and security of the countries involved. Thus, responding to the issue of trafficking requires the involvement of multiple stakeholders including the national government and its related agencies, such as health and public services division, international organisations, NGOs, CSOs, the media, businesses, academics, and individuals. With this in mind, this section focuses on the cooperation between the government and NGOs in preventing human trafficking in Bangladesh. In fact, there are some compelling reasons for selecting these actors already mentioned above in this paper. Usually, the government of a country holds a legitimate monopoly over the use of force and has the unique capacity to develop a national strategy. It can combat national, regional and transnational human trafficking by creating a comprehensive counter-trafficking mechanism involving government agencies as well as NGOs. On the other hand, many NGOs in Bangladesh have long been working in anti-human trafficking movements and they started their awareness-building and sensitising efforts before the government did.³⁹ Their roles encompass a wide range of activities which include conducting research, awareness raising, helping law enforcement agencies with victim identification, providing basic support to trafficking victims and helping them to reintegrate with mainstream society.⁴⁰ Given the critical role of the government and the NGOs in preventing human trafficking, the paper examines the issue of cooperation between these two actors in preventing the crime. Figure 1 shows a framework for GO-NGO cooperation considering the key actors and their major activities and approaches of collaboration.

³⁸ Maggy Lee, *Human Trafficking* (UK: Routledge, 2007).

³⁹ "Human Trafficking: A Brief Overview," Social Development Notes, No. 122, December 2009, World Bank, accessed January 25, 2025, <https://documents1.worldbank.org/curated/en/166101468315536553/pdf/546830BRI0SDN01C10Human0Trafficking.pdf>.

⁴⁰ "Human Trafficking: A Brief Overview," World Bank.

Figure 1: A Framework on GO-NGO Cooperation⁴¹



The above Figure illustrates that a cooperative relationship between GOs and NGOs is crucial for a country like Bangladesh. The government has the supreme and legitimate authority to implement various state-sponsored projects, formulate policies and allocate budgets. It has access to the state’s financial sources as well as administrative control enabling them to adopt various plans and initiatives that can impact a whole nation. On the contrary, NGOs work mainly at the community level, directly engage with the people, and try to understand and resolve victims’ concerns, needs and aspirations. The combination of the government’s top-down approach and the NGOs bottom-up approach creates synergy in resolving complex societal problems. When both agree in cooperation, they can ensure proper utilisation of resources, decrease duplicity in efforts and ensure maximum impacts of developmental interventions.⁴²

GO-NGO cooperation can be materialised in three ways: First, NGOs can work in joint ventures with the government to implement important projects; second, they

⁴¹ Prepared by author.
⁴² Mohammed Monir Hossain, “GOs-NGOs Liaison Crucial for our Overall Development,” *Daily Observer*, July 24, 2023.

can develop the capacity and effectiveness of national; and finally, local governments can conduct advocacy for necessary and desired reforms.⁴³ As shown in Figure 1, there are four main ways of enhancing GO-NGO collaboration: partnership, consultation, notification, and participation. Partnership has been identified as the most important one since it is a complex engagement system.⁴⁴ A proactive partnership, approach, or collaboration allows NGOs to create an environment to facilitate policy formulation and implementation efficiently.⁴⁵ A meaningful and effective collaboration between GO and NGOs is imperative for both partners to accelerate the pace of various development activities.⁴⁶

4. State of GO-NGO Cooperation in Preventing Human Trafficking

Since human trafficking is a major problem in Bangladesh, both the government and NGOs are playing their part in its prevention. Drawing on the expert interviews, this section explores the roles of the government and the NGOs and the present state of cooperation between these two entities in preventing human trafficking from Bangladesh.

4.1 Government in Preventing Human Trafficking

In the context of Bangladesh, the government is the key stakeholder in preventing human trafficking. This major entity has been playing its fundamental role by formulating necessary laws and policies and strengthening task forces,⁴⁷ conducting awareness campaigns and providing necessary victim support.⁴⁸ Among all the ministries, the MoHA has been playing a central role in combating human trafficking. The Police Headquarters has established a specific monitoring cell that provides training to prosecutors and border and immigration security officials to ensure the screening of persons at land ports and airports. The primary aim of this venture is to ensure timely and regular information flow from different districts. In addition to that, the government has established mechanisms for recovery and repatriation of children

⁴³ Mohammad Jahangir Hossain Mojumder and Pranab Kumar Panday, "GO-NGO Teamwork for Strengthening Local Governance: A Review of Extant Literature in the Context of Bangladesh," *South Asian Survey* 1, no. 22 (2022): 1–22.

⁴⁴ Sergey Belyakov, "Increasing the influence of NGO's on Policy Making through Public Consultations: Lessons from Poland," *Policy Paper 4/11*, Institute of Public Affairs, Poland, accessed January 30, 2024, <https://www.isp.org.pl/uploads/drive/oldfiles/SergeyBelyakov.pdf>.

⁴⁵ Mokbul Ahmad, "Book Review: Stakeholders in rural development: Critical collaboration in the state-NGO partnerships by John M. Riley," *Voluntas: International Journal of Voluntary and Non-Profit Organizations* 13, no. 4 (2002): 438–440.

⁴⁶ World Bank, *How the World Bank works with Non-governmental Organizations* (Washington D.C.: World Bank Group, 1990).

⁴⁷ IOM, "Combating Human Trafficking: All Stakeholders Must Join Together," accessed January 31, 2025, <https://bangladesh.iom.int/news/combating-human-trafficking-all-stakeholders-must-join-hands-together>.

⁴⁸ Interview with Professor Dr Obaidul Haaue, Department of International Relations, University of Dhaka, conducted in January 2024.

who were forced to become camel jockeys and also ensures prosecution of persons associated with trafficking women and children.⁴⁹ The MoFA's role is also crucial in preventing human trafficking in the country. The Ministry and its missions abroad work together to build awareness, rescue traffickers, report them, and prosecute them.⁵⁰

The Ministry of Expatriates Welfare and Overseas Employment is responsible for managing the migration process and ensuring the welfare and protecting the rights of migrants at home and abroad.⁵¹ The Ministry has formed vigilance task forces who conduct operations on a regular basis to prevent the illegal migration of workers. The objective of such operations is to protect workers from deception and not to go abroad illegally with high migration costs. In the process of Vigilance Task Force (VTF) operations, workers waiting in line for immigration at the airport are randomly picked for scrutinising and screening. Their documents like passports, work permits from the receiving country, and employment and manpower clearance from the Bureau of Manpower, Employment and Training (BMET) are thoroughly checked to ensure lawful departure. If the VTF team finds any anomaly, the persons are off-loaded.⁵²

Moreover, the government has established the Counter Trafficking Committees (CTCs) at the union, upazila and district levels to ensure victims' increased access to services including legal assistance. A nationwide hotline known as 'National Emergency Service - 999' is being operated by the Bangladesh Police. Also, a monitoring cell has been established at the Police Headquarters to collect and analyse data on human trafficking. For dedicated and specialised investigation of human trafficking issues, a human trafficking cell has also been set up at the Criminal Investigation Department of Bangladesh Police.⁵³

4.2 NGOs in Preventing Human Trafficking

NGOs in Bangladesh are working on the prevention, protection, rehabilitation and reintegration of trafficking victims. Although prevention is the most vital component in combating human trafficking, it is often neglected. NGOs play an

⁴⁹ M Alamgir, *Combating Trafficking in Women and Children in Bangladesh* (Dhaka: Ministry of Home Affairs, Government of the Peoples Republic of Bangladesh, 2004).

⁵⁰ "Bangladesh seeks enhanced international cooperation in combatting human trafficking through modern technology," Ministry of Foreign Affairs, accessed January 31, 2025, https://mofa.gov.bd/site/press_release/5b5a1c96-a9b4-4984-ab04-cc94afb39083.

⁵¹ Ahmed, "Combating Sea-Route Human Trafficking in Bangladesh".

⁵² "Bangladesh Country Report, 2016: Combating Human Trafficking," Government of the People's Republic of Bangladesh, accessed February 01, 2025, https://mhapsd.portal.gov.bd/sites/default/files/files/mhapsd.portal.gov.bd/page/d9fa01c7_35a1_42f2_827c_1030c3e0e474/Country%20report%202016%20%20fina.pdf.

⁵³ Interview with a Representative of UNODC.

essential role in preventing human trafficking through grassroots outreach, victim support, and advocacy for stronger measures. They raise awareness, provide education and empower vulnerable individuals thereby, identifying and rescuing victims and offering them comprehensive support. Advocating for improved legislation and policies is another key area where NGOs currently play a substantial role in combating human trafficking.⁵⁴ In the prevention sector, NGOs are conducting awareness-building programmes and other activities that include community-level campaigns, grassroots-level meetings, cultural activities, regular coordination meetings, providing training to relevant stakeholders and conducting advocacy with local government, law enforcement agencies and media.⁵⁵ Besides, there are some NGOs which are working for women's empowerment to minimise the push factors behind the trafficking. Since the people living in the rural areas are not very educated and aware of the situation, the NGOs are working to make them aware of the situation.⁵⁶

There is a diversity in the activities of NGOs that are engaged in anti-trafficking initiatives. NGOs working in this field provide various services to the trafficking victims. Their services range from financial support to legal aid or vocational training for the victims. NGOs operate both in urban centres and rural areas where they are engaged in awareness building programmes and other preventive activities. Some NGOs are engaged in rehabilitation programmes like vocational training, financial aid, shelter, care and psychological support, while others provide legal aid to the victims of human trafficking. Their activities involve gathering evidence, providing legal aid, and even preparing financing court proceedings. Legal assistance also extends to awareness-raising, educating the victims about their rights and empowering them to take legal action when needed.⁵⁷

Overall, NGOs of Bangladesh are working both independently and jointly. In a joint effort, the Bangladesh Chapter of Action against Trafficking and Sexual Exploitation of Children (ATSEC), a coalition of 15 NGOs, is working in the country to prevent trafficking in children and women for sexual exploitation. It has established a national resource centre for the dissemination of information on trafficking issues. ATSEC is also working to sensitise and mobilise policy planners on the issue of human trafficking from Bangladesh. To increase awareness among the vulnerable segments of society, many NGOs conduct regular advocacy, share information and arrange various programmes. They also work to enhance the capacity of local

⁵⁴ Interview with Dr Obaidul Haque.

⁵⁵ Jahan, "Role of NGOs in Prevention of Women and Children".

⁵⁶ Interview with Mr Bijay Basak.

⁵⁷ Interview with a Representative of UNODC.

communities to protect vulnerable individuals as well as to respond appropriately and timely to human trafficking.⁵⁸

One of the key contributions of the NGOs in preventing trafficking is the initiative to empower women through facilitating alternative sources of income, educating girls, providing them training and raising awareness and some NGOs are currently playing significant roles in this regard particularly in rural areas. Examples include the Association for Community Development (ACD), Thengamara Mohila Shabuj Shangha (TMSS), Dhaka Ahsania Mission (DAM) and Bangladesh National Women Lawyers Association (BNWLA). These NGOs are working in providing shelters and generating employment for trafficking victims to effectively rehabilitate and reintegrate them into society.⁵⁹

4.3 State of GO-NGO Collaboration in Preventing Human Trafficking

At present, GO, NGOs and INGOs are playing crucial roles in combating and reducing human trafficking from Bangladesh. The GoB has come forward to initiate a GO-NGO cooperation mechanism in preventing human trafficking. To that end, the GoB has formed “the GO-NGO National Coordination Committee to Combat Human Trafficking”. MoHA is currently leading the GO-NGO coordination process which is a vital element for promoting partnership and is counted as an effective forum to facilitate the participation of all stakeholders in monitoring and implementing actions.⁶⁰ As per the existing data, 130 national NGOs are working on human trafficking issues and most of them are involved in various activities that include raising awareness, dissemination of information, repatriation, advocacy, rehabilitation, etc.⁶¹

To combat trafficking in children, the GoB initiated a 3-year project in 2000 aiming to curb the number of trafficking in children.⁶² Simultaneously, to help them extensively, the GOB formulated its future counter-trafficking strategies and published a counter-trafficking framework report.⁶³ The Ministry of Women and Children Affairs (MoWCA) with support from the Norwegian government through

⁵⁸ Razia Sultana and Muhibbur Rahman, “Combating Human Trafficking: Bangladesh’s Experience and Challenges”, in *Human Trafficking in South Asia*, eds. Vinod K Bhardwaj and Sherap Bhutia (New Delhi, India: G.B. Books, 2014).

⁵⁹ Sultana and Rahman, “Combating Human Trafficking”.

⁶⁰ Government of Bangladesh, *Bangladesh Country Report, 2018 Combating Human Trafficking* (Dhaka, Ministry of Home Affairs, Government of the Peoples Republic of Bangladesh, 2018).

⁶¹ Gazi and Chowdhury, “Trafficking of Women and Children in Bangladesh”.

⁶² Ministry of Women and Children Affairs, *The Counter Trafficking Framework Report: Bangladesh Perspective* (Dhaka: Ministry of Women and Children Affairs, Government of the Peoples Republic of Bangladesh, 2004), 12.

⁶³ IOM, *IOM Press Briefing Notes: Bangladesh Counter-Trafficking Conference* (Dhaka: IOM, 2004).

the Norwegian Agency for Development Cooperation (NORAD) implemented the pilot Project titled “Coordinated Program for Combating Child Trafficking (CPCCT)”.⁶⁴ Under this Project, the National Task Force for Anti-Child Trafficking was formed comprising representatives of 10 government ministries and NGOs.⁶⁵ This has, indeed provided an opportunity for GO-NGO collaboration for minimising human trafficking in the country.

Notably, Bangladesh has made significant strides in recent years to combat human trafficking, acknowledging this crime as a serious violation of human rights. The government has enacted legislation, established specialised law enforcement units, and enhanced border control measures to tackle this pervasive issue. Simultaneously, NGOs have played a crucial role by raising awareness, providing support services to survivors, and assisting in the prosecution of traffickers. Under the supervision of the Public Security Division of the Ministry of Home Affairs, two projects are currently ongoing which involve implementation and monitoring of existing legislation on human trafficking, building capacities, rescuing and reintegrating the victims in collaboration with NGOs and INGOs.⁶⁶ Both the government and NGOs have been collectively observing the World Day against Trafficking in Persons since 2022 which is a glaring example of GO-NGO collaboration. Through this cooperation, the government has been able to work on establishing the annual reporting mechanism of trafficking in persons and has produced several important documents over time including the First National Study on Trafficking in Persons in Bangladesh. The NGOs also regularly collaborate with the government for national and international reporting on Bangladesh.⁶⁷ Also, the GoB along with regional and international actors is continuously making efforts to curb this problem.⁶⁸

Although there is some level of GO-NGO cooperation going on currently, those are mainly confined to requirements and formalised collaboration is absent between the two sectors. Hence, the question remains about the nature and current state of the collaboration.⁶⁹ According to a practitioner working directly in preventing human trafficking, “The government is trying to combat human trafficking. Laws and rules have been promulgated. Tribunals have been established. But due to the nature of the crime as well as corruption, it cannot be controlled well.”⁷⁰ Hence, collaborative

⁶⁴ Ministry of Women and Children Affairs, “The Counter Trafficking Framework Report”.

⁶⁵ ADB, “Combating Trafficking of Women and Children”.

⁶⁶ United Nations Office on Drugs and Crime, *First National Study on Trafficking*, 8.

⁶⁷ Interview with a Representative of UNODC.

⁶⁸ Interview with Razia Sultana, Senior Research Fellow, BIIS, conducted in September 2023.

⁶⁹ Interview with Mr Asif Munier.

⁷⁰ Interview with Mr Bijay Basak.

measures are expected to create synergy in anti-trafficking initiatives. According to a stakeholder, GO-NGO cooperation is necessary since the government usually does not have a proper structure for building awareness through peer-to-peer discussions. Moreover, the victims of this crime sometimes need intensive care and support, which can only be provided by NGOs due to the nature of their work.⁷¹

To address human trafficking in a comprehensive manner, a whole-of-society approach is essential for Bangladesh that aims to address the core reasons for trafficking such as poverty, lack of education, and social inequality. It is found that there is a lack of victim protection services and mechanisms in which GO-NGO collaboration can play a critical role in identifying the victims and providing them with the necessary support and rehabilitation services. They often have closer ties with communities, hence, it is easy for them to deeply engage with vulnerable persons. They also can play a vital role in other crucial areas such as victim care, psychological support, and reintegration into society, and can offer valuable insights and expertise to the government.⁷² If NGOs collaborate with GO's regulatory authority and have access to critical data and information, counter-trafficking actions can be amplified inevitably.

5. Key Challenges of GO-NGO Cooperation

The collaboration between government agencies and NGOs in Bangladesh faces several challenges.⁷³ An expert in the field mentioned that GO-NGO cooperation does not take place to a larger extent due to a lack of proper planning and policies. Sometimes, the cooperation seems to be confined to organising seminars and symposiums. Also, it is hard to bring or discuss the NGO agenda, the government's aim and the victim's position in the same line of thought.⁷⁴ Another expert noted that although the current level of cooperation is to some extent satisfactory, there is room for improvement in several areas such as victim support, evidence collection, prosecution, cooperation between criminal justice practitioners, and sensitisation of the concerned stakeholders. Cooperation between the government and the NGOs can also be improved in other areas like identifying, rescuing and rehabilitating the victims and preventing and prosecuting the crime of human trafficking. To attain this, both the government and the NGOs need to work on a larger scale than they currently

⁷¹ Siddiqui, Rashid, Karim and Alam, "Trapped in Confusion".

⁷² Interview with Mr Asif Munier.

⁷³ Interview with Shariful Hasan, Head of Programme, Migration, BRAC, conducted in September 2023.

⁷⁴ Interview with Dr Razia Sultana.

do to ensure a more meaningful approach.⁷⁵ Some key challenges of GO-NGO cooperation in combating human trafficking from Bangladesh are identified below -

5.1 Lack of Effective Communication between the Government and the NGOs

Although both the government and the NGOs are working hard to prevent human trafficking, it is observed that insufficient communication and coordination between different ministries of government and NGOs hinder effective collaboration. It is argued that a lack of joint strategic planning, regular follow-up meetings, information sharing, and a joint venture working policy often impede the flow of critical information and data which are regarded as major barriers to anti-trafficking efforts. An expert mentioned that lack of communication among different ministries of the government as well as between NGOs is a major challenge in addressing human trafficking effectively. The interviewee also mentioned that since NGOs work according to the mandates of donors, it is a common trend that their objectives and working methods vary which creates significant inconsistencies in their initiatives.⁷⁶

5.2 Absence of a Formalised Collaboration

There is a need for a whole-of-government approach in policy formulation of any kind since different ministries of the government have separate working plans and strategies. However, in various documents including the 8th Five-Year Plan, the necessity of collaboration is reiterated. Occasionally, joint steering committees or coordination committees are formed but, in some cases, these are done only on a need basis, not in a formalised way. In specific cases, some level of collaboration in particular projects is observed, however, these are only to fulfil the demands of donors and are not a formalised collaboration per se. On principle, both the government and NGOs have no problem with collaboration, but, on the ground, no effective collaboration is visible up until now.

5.3 Lack of Appropriate Legal and Regulatory Framework

An up-to-date legal and regulatory framework is crucial in preventing human trafficking. However, the existing regulatory frameworks of Bangladesh are weak need to be strengthened and upgraded to address the contemporary challenges of human trafficking. Collaborative actions are essential for ensuring the enforcement of laws and policies properly through the active participation of both the government bodies and the NGOs. One expert shared his views that although there exists a good legal mechanism for preventing and eradicating human trafficking from Bangladesh,

⁷⁵ Interview with a Representative of UNODC.

⁷⁶ Interview with Mr Asif Munier.

due to changes in key positions of the government, sometimes it has become difficult to review and update the existing mechanism to make it effective and up-to-date with time.⁷⁷ Another specialist in the field noted that there is a lack of comprehensive and pragmatic laws that can be implemented and monitored by NGOs. In addition, there are some loopholes in the existing legal mechanisms regarding human trafficking. Meanwhile, the government cannot force the perpetrators to obey the law due to the lack of an updated and comprehensive legal framework.⁷⁸

5.4 *Lack of Mutual Trust*

In some cases, a trust deficit between various government agencies and NGOs hampers a meaningful partnership. According to an expert, there is a trust deficit between the government and the NGOs that acts as a big challenge for combating human trafficking.⁷⁹ Lack of proper understanding of each other's roles and responsibilities, and conflicting or contradictory agendas create divisions, hinder mutual efforts and impede progress in preventing complicated crimes like human trafficking. There are also diversities in the activities of the NGOs and competitions over limited resources which count as significant barriers to counter-human trafficking. Other challenges include duplicity of interventions and lack of coordination in capacity building and advocacy.⁸⁰

5.5 *Resource Constraints*

As noted, resource constraints are one of the biggest challenges faced by the government and NGOs in addressing the problem of human trafficking. Shortage of resources (especially in the human resource sector) works as a major bottleneck in their ability to address the multifaceted aspects of human trafficking comprehensively. On average, one NGO worker typically serves fifty-four thousand people and working with this limited capacity poses challenges to its proper functioning.⁸¹ A practitioner also mentioned that manpower shortage is a major bottleneck in NGOs' functioning.⁸² Because of their limited human resources, they often become unable to work with the government in joint ventures. In brief, the lack of proper coordination and communication between the government and the NGOs, resource constraints and the absence of an appropriate regulatory framework are

⁷⁷ Interview with Mr Asif Munier.

⁷⁸ Interview with Dr Razia Sultana.

⁷⁹ Interview With Mr Asif Munier.

⁸⁰ Interview with a Representative of UNODC.

⁸¹ Jahan, "Role of NGOs in Prevention of Women and Children".

⁸² Interview with Mr Bijay Basak.

major challenges in the way of effective GO-NGO cooperation in preventing human trafficking from Bangladesh.

6. Conclusion and Recommendations

Preventing human trafficking from Bangladesh necessitates a robust partnership between the government and the NGOs. By adopting a collaborative approach, it is possible to create a more comprehensive and effective response to this grave issue. Strengthening communication, resource mobilisation, capacity building, trust-building measures, and legal frameworks will contribute to a sustainable and impactful fight against human trafficking. Both the government and the NGOs, by strengthening their coordination, mobilising funding, and enhancing capacity building can play a crucial role in preventing human trafficking from Bangladesh.

Although there are some arrangements for GO-NGO collaboration in Bangladesh, those arrangements are undertaken mainly on an ad-hoc basis or to fulfil the demand of donors. This has led to several challenges in the way of GO-NGO cooperation in preventing human trafficking from Bangladesh. To overcome these hindrances, both entities should come forward with positive intentions. Enhancing cooperation in preventing human trafficking requires a multi-faceted and coordinated approach involving various actors including GOs, NGOs, international institutions, individuals and communities. In terms of enhancing GO-NGO cooperation, institutionalised processes are crucial in establishing sustainable partnerships. Existing activities such as collaboration in reporting and capacity building should be amplified. Moreover, a harmonious GO-NGO relationship conducive to preventing human trafficking from Bangladesh can be ensured with the inclusion of NGO representatives in national coordination mechanisms, and international cooperation processes.

Besides, some specific reformations from the activists and practitioners for an effective GO-NGO collaboration are needed. For instance, a congenial environment is required for enhanced communication and partnership between the government and the NGOs. Regular communication channels, such as joint task forces, working groups, and inter-agency meetings, should be established to foster dialogue and information exchange between government agencies and NGOs. Sharing best practices, coordinating efforts, and aligning strategies will strengthen the overall anti-trafficking response. To enhance cooperation in this sector, building trust through regular dialogue and joint training is crucial. Simplifying regulations, appointing dedicated liaison officers, and forming joint task forces can also streamline further collaboration. Formalised platforms for information sharing and involving NGOs in

planning and implementation would ensure effective coordination. Addressing political interference involves creating independent oversight mechanisms and advocating for legislative reforms.

Another way to strengthen GO-NGO cooperation is resource mobilisation. The government should allocate adequate resources to reinforce anti-trafficking measures, including increased funding for government bodies and NGOs. Additionally, international donors and organisations should provide financial and technical support to bolster anti-trafficking initiatives in Bangladesh. Besides, resource mobilisation and capacity building of both government agencies and NGOs is also important to address the concern. Both stakeholders need to invest in capacity-building programmes to enhance their knowledge and skills in preventing human trafficking. Training sessions, workshops, and exchange programmes can contribute to improved collaboration and efficiency in handling trafficking cases. As there is a deficit of trust among different stakeholders, trust-building measures can lessen the gap. Hence, efforts should be made to foster trust and mutual understanding between government bodies and NGOs. Regular consultations, participation in joint initiatives, and sharing success stories can help bridge the trust deficit and encourage fruitful collaboration in this arena.

It is also essential to update and upgrade legal frameworks which should be done through combined efforts of the government and the NGOs. The government should continuously review and update existing legislation to address evolving forms of trafficking. Significant efforts are needed to ensure the efficient implementation of various interventions such as strengthening the capacity of criminal justice practitioners and enhancing cross-border coordination in rescue, reintegration, investigation and prosecution aspects of human trafficking. This process should involve close consultation with NGOs and civil society organisations to ensure that legal frameworks remain relevant and effective in reducing human trafficking.

As the lack of collaboration at the grassroots level is noticeable, enhanced cooperation and coordination at the grassroots level can provide synergy in preventing human trafficking from Bangladesh. It is important that, at the grassroots level, NGOs and related organs of the local government work collaboratively. In this aspect, the government apparatus can play an active role through its law-enforcing mechanisms and convey its plans and key messages to the NGOs, and accordingly, the latter can run their awareness-building campaigns.

Usually, NGOs fill resource gaps, identify victims, and advocate for anti-trafficking policies. NGOs empower communities, promote economic opportunities,

and strengthen data collection, which have lasting impacts on curbing the problem. Thus, NGOs need to extend their full support to the activities of the government and assist the associated government apparatus. This is equally important to ensure effective collaboration between the two entities. Although there are well-established policies, regulations and action plans, these are not always properly implemented. Since there is a National Action Plan on Human Trafficking, introducing a monitoring mechanism to oversee the collaboration between the government and NGOs is a demand of time. Such a mechanism would ensure the right path of collaboration between the two entities and will strengthen their efforts in preventing human trafficking in Bangladesh. This cooperative action between the government and the NGOs can create a synergy in addressing the root causes of human trafficking. By combining their strength and resources, both can ensure comprehensive, meaningful and sustainable solutions of human trafficking in the country.

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ASSESSING BANGLADESH-GERMANY RELATIONS: EXPLORING DYNAMICS, CHALLENGES AND OPPORTUNITIES

Abstract

Bangladesh has a longstanding relationship with Germany, including with the former East Germany, which was the first European nation to formally recognise the country as an independent state on 11 January 1972. Since then, Germany has been one of its largest trade and development partners of Bangladesh, contributing significantly to its socio-economic development. Given this, the paper examines different nuances of Bangladesh-Germany bilateral relations on some specific issues based on qualitative analysis of secondary literature. The article moves away from the realist explanation and instead focuses mainly on how and why bilateral relations have a deeper linkage closely aligned with the theoretical lenses of neoliberalism. The article also explores the emerging possibilities and challenges of Bangladesh's relations with Germany. It identifies that despite numerous obstacles, for instance, trade deficits, weak infrastructures, social and political instabilities, governance challenges, and limited technological developments in Bangladesh, bilateral relations have improved gradually as it is today. This partnership, built on friendship, trust, and mutual cooperation has fostered political, economic, and socio-cultural engagements and developments in recent years. Mostly, Bangladesh-Germany relations have seen a revival, with increased collaboration in energy, trade, education, technical assistance, human rights, climate, and environmental initiatives to name a few. As Bangladesh nears graduation from Least Developed Country (LDC) status, Germany is becoming increasingly relevant in its national and foreign policy. Thus, to outline the future outlook of this partnership, the article has attempted to analyse the last 50-year history of Bangladesh-Germany relations.

Keywords: Bangladesh-Germany Relations, Bangladesh's Foreign Policy, Neoliberalism, Development Partnership, LDC Graduation

1. Introduction

Since the beginning of diplomatic relations on 04 February 1972, Bangladesh and Germany have developed a strong bilateral relationship rooted in mutual understanding, trust, and shared interests. Germany has a pivotal role in aiding Bangladesh's growth and assimilating into the international community.¹ During

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¹ Dr. Niloy Ranjan Biswas, Professor, Department of International Relations, University of Dhaka, interview with the authors, December 23, 2024.

Bangladesh's Liberation War in 1971, the German government as well as its citizens provided significant moral and diplomatic support. The country continued its contributions in the post-war period through various developmental efforts to aid in Bangladesh's reconstruction.² Bangladesh regards Germany as a key development partner, with a longstanding history of cooperation in certain areas such as higher education, energy collaboration, infrastructure development, healthcare advancement, good governance, sustainable supply chains, and climate adaptation. The strong partnership between the two countries has fostered significant progress in political, economic, and socio-cultural cooperation. The foundation of this development partnership was laid in 1972 with the signing of the Technical Cooperation Agreement between the two countries.³

Many observers believe that both Bangladesh and Germany are gaining momentum in developing comprehensive partnerships through political, economic, and socio-cultural cooperation. However, they also face challenges, including a trade deficit, inadequate infrastructure development, political instability in Bangladesh, and a lack of good governance, innovation, and robust academic exchanges. As these nations mark the fifty-year milestone of their bilateral relations, it is an opportune moment to reflect on and evaluate the progress of their partnership. This article, thus, represents a modest effort to assess the state of their bilateral relations and explore areas for further cooperation.

An analysis of the existing literature reveals a notable scarcity of scholarly research on Bangladesh-Germany relations, despite Germany's significant role as one of Bangladesh's key development partners and steadfast allies. This article seeks to address this gap, offering a critical contribution to the academic discourse surrounding this important bilateral relationship. By identifying and examining the primary challenges that hinder deeper cooperation between the two nations, the article provides actionable insights for policymakers and stakeholders. It also explores Germany's role as a reliable trading and development partner, placing the partnership in the broader context of global diplomacy. The study not only enhances a comprehensive understanding of Bangladesh's engagement with Germany but also broadens the scope of international relations studies. It provides fresh perspectives that are invaluable for academics, policymakers, and practitioners navigating the complexities of international partnerships in a rapidly evolving global landscape.

² UNB, "German Delegation Lauds Bangladesh's Achievements in RMG Industry," *Dhaka Tribune*, February 25, 2023.

³ Md. Touhid Hossain, *Prospects and Challenges in Bangladesh's Relationship with Germany and the European Union, on its 50th Anniversary of Independence* (Dhaka: Friedrich-Ebert-Stiftung, 2022), 6.

The primary goal of the article is to explain the existing bilateral relations between Bangladesh and Germany. The article also, modestly, aims to identify new opportunities for collaboration across political, economic, strategic, and sociocultural dimensions, which will be crucial for policymakers. Given the context, the article aims to respond to two crucial questions: first, what are the major challenges facing Bangladesh-Germany relations? Second, what potential areas of partnership might emerge between these two countries? To address these questions, the article provides an overview of the Bangladesh-Germany relationship across various selective areas. Furthermore, it seeks to analyse bilateral ties through a neoliberal theoretical lens.

This article assesses both primary and secondary data to understand selective issue areas of Bangladesh-Germany relations. Data are collected mostly from secondary sources including books, newspaper reports, articles, and policy briefs, with a focus on exploratory research primarily based on qualitative analysis. For the purpose of triangulation and a more rounded discussion, the article also relied on interviews of relevant academicians and practitioners on the subject matter.

The article is organised into several subsections. The very first section provides a general overview of the paper. Section two outlines the literature review, methodology, and theoretical framework of the paper. The third section offers a concise historical overview of the political, economic, strategic, socio-cultural, and other relevant aspects of the bilateral relations between Bangladesh and Germany. The fourth section examines the major challenges faced by the two countries while maintaining mutual interests. Section five identifies prospective areas for further cooperation between the two countries. Lastly, section six concludes the paper.

2. Literature Review and Conceptual Framework: A Neoliberal Explanation of Bangladesh-Germany Relations

2.1 Literature Review

Despite a plethora of literature on Germany's foreign policy, Bangladesh's relations with the Middle East, and major powers, shifts in global power dynamics, and its interactions with international institutions, there is a noticeable lack of scholarly work specifically focused on the bilateral relations between Bangladesh and Germany. Existing literature tends to emphasise Bangladesh's relationships with nations including the United States (US), the European Union (EU), the Middle East, Japan, India, and China. Furthermore, current scholarship falls short in analysing Bangladesh-Germany bilateral relations through the lens of neoliberalism.

In this context, Hossain pointed out that, over the past fifty years, Bangladesh and Germany have successfully identified common interests and collaborated effectively

to pursue them.⁴ Islam, on the other hand, identifies East Germany as the first among the European nations to render an early declaration to the newly independent Bangladesh.⁵ He further noted that there has been a robust history between these two nations since 1971, which was “further consolidated by bilateral diplomatic consultations and political dialogues”.⁶ There have been at least seven important agreements signed between Bangladesh and Germany, he further identified.⁷ The latter is a major development partner of Bangladesh and disbursed more than US\$ 21 billion in development assistance, coming mostly through two German institutions, Kreditanstalt für Wiederaufbau (KfW) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), in the years 1972-2020.⁸ German development assistances to Bangladesh are concentrated in education, good governance, green energy, environmental adaptation, food security and nutrition, skill development, sustainable urban development, water and sanitation, migration and displacement. Rashid emphasises that both Bangladesh and Germany are moving in the right direction to expand their bilateral relations.⁹ Islam noted that Germany also rendered valuable support to the Rohingya crisis by taking “diplomatic and political action against Myanmar through raising voices in the international fora, imposing sanctions on Myanmar military”.¹⁰

The review above highlights the limited academic work addressing Bangladesh-Germany bilateral relations, with existing studies covering only sporadic areas. This paper, thus, aims to explore the underexplored discourse by expanding the existing body of literature and providing a more comprehensive analysis of this important bilateral relationship.

2.2 Conceptual Framework

Bangladesh-Germany bilateral relations can be analysed using traditional International Relations (IR) theories. For instance, from a traditional realist perspective, this relation signifies an asymmetry in terms of the balance of power. However, given that, these two countries do not share a physical border and their mutual threat perception is relatively low and the likelihood of large-scale organised

⁴ Hossain, *Prospects and Challenges in Bangladesh's Relationship*, 4–31.

⁵ Saiful Islam, “Fifty Years of Bangladesh's Relations with Europe: Changes and Continuity,” *Journal of Bangladesh and Global Affairs* 1, no. 2 (2022): 119.

⁶ Islam, “Fifty Years of Bangladesh's Relations with Europe: Changes and Continuity,” 124.

⁷ Islam, “Fifty Years of Bangladesh's Relations with Europe: Changes and Continuity,” 124.

⁸ Islam, “Fifty Years of Bangladesh's Relations with Europe: Changes and Continuity,” 129.

⁹ Mufassir Rashid, “50 Years of Germany-Bangladesh Relations: Ties between the Two Nations Are Expected to Grow Even Stronger,” *Asian Times*, February 5, 2022, <https://asiatimes.com/2022/02/50-years-of-germany-bangladesh-relations/>.

¹⁰ Islam, “Fifty Years of Bangladesh's Relations with Europe: Changes and Continuity,” 136.

violence or conflict between them is minimal. The power imbalance is substantial, meaning that any gradual increase in military capabilities is unlikely to trigger a security dilemma that could lead to an arms race or further cycles of arms proliferation. Therefore, realism, as a broad theoretical framework, may not be the most suitable lens for examining the amicable relations between Bangladesh and Germany. Nonetheless, some offensive and defensive realists may be tempted to view the asymmetry in Bangladesh-Germany relations through the binary lens of the “smaller power vs bigger power” framework.

Nonetheless, this paper moves away from the realist perspective and employs a liberal framework, specifically neoliberalism, to assess Bangladesh-Germany relations. Neoliberalism asserts that increased international economic exchange—such as robust trade and development partnerships—reduces the likelihood of conflict and war.¹¹ Consequently, neoliberalism retains a positive perspective of international economic ties among states. Mutual socioeconomic growth and efficiency have been fostered by well-known global financial institutions including the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO). Despite the power asymmetry that may exist in their bilateral relations, both actors can benefit from open international economic exchanges. While the gains from such exchanges may not be equal, they yield mutually beneficial outcomes, creating a positive-sum game in their relationship. Neoliberals, therefore, focus less on distributional issues and more on the overall economic interactions between actors.¹²

The hallmark values of the West—such as a free market economy, individualism, good governance, and human rights—have provided a normative foundation for the flourishing of neoliberal philosophy, which has taken root across the globe. Neoliberals attribute this development to globalisation, which has ushered in a ‘third wave’ of democratisation and endless potential for advancing the philosophy of a liberal market economy.¹³ From a broader liberal perspective, globalisation is generally viewed positively. The paper consciously avoids delving into the debated nuances of different traditions of liberalism to assess the degrees of globalisation’s impacts. However, liberals often explain globalisation as the result of rapid

¹¹ Theodore H. Cohn and Anil Hira, *Global Political Economy: Theory and Practice* (New York: Routledge, 2020), 74–101; Dale C Copeland, “Economic interdependence and war: A theory of trade expectations,” *International security* 20, no. 4 (1996): 5–41; David N. Balaam and Bradford Dillman, *Introduction to International Political Economy* (New York: Routledge, 2019), 25–48.

¹² Robert O’Brien and Marc Williams, *Global Political Economy: Evolution and Dynamics* (London: Bloomsbury Publishing, 2024), 5–22; Balaam and Dillman, *Introduction to International Political Economy*, 25–48.

¹³ Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Oklahoma: University of Oklahoma Press, 1993); F Fukuyama, “The end of History?” *The National Interest* 16 (1989): 3–18.

technological advancements, market dynamics, and the influence of international institutions.¹⁴ Many contend that globalisation is largely unstoppable; innovations in transportation and communication continually shrink distances and time, making the world more interconnected.¹⁵ According to this viewpoint, governments have limited control over these forces, as technology drives global integration at a pace that exceeds political intervention. Essentially, liberals interpret globalisation as an inevitable outcome of progress, rather than something that can be fully regulated or halted by national policies.

In addition, neoliberalism offers a lens through which to evaluate how the two countries interact as they navigate the challenges of globalisation, with an emphasis on economic ties, trade, economic policy, and the role of global institutions. The foundation of Bangladesh and Germany's bilateral relations demonstrates a neoliberalism framework based on the notion of globalisation, free market economy, the rule of law, democracy, good governance, and liberal bilateral economic relations in the post-independence and post-Cold War eras. The two countries have a robust economic relationship. As one of the largest economic partners of Bangladesh, Germany imports the majority of its textile products, particularly clothes, from Bangladesh. In terms of trade relations, both Bangladesh and Germany are accelerating the notion of neo-liberalism as the former has consolidated with global supply chains by exploiting its edge in labour at low prices. Bangladesh provides quality products at low rates in response to Germany's desire for low-cost clothing, thereby boosting Bangladesh's financial development, export earnings, and Gross domestic product (GDP). As a result, this economic partnership enhances the neoliberal concepts because the two countries look at the sectors where both have comparative advantages. Furthermore, Germany's push for ethical consideration and ecologically responsible procurement has not only pushed Bangladesh's sector to follow the new rules but also ensured compliance with social, environmental, and corporate legislation. Furthermore, Germany's motivation, based on the neoliberal norm of capital mobility, has accelerated the economic investment in Bangladesh, and the Bangladesh government has enhanced the investment opportunity through a variety of economic policies, such as tax reductions and special economic zones. The aforementioned policies are closely related to neoliberalism, which stands for a free-market economy and unrestricted investment for financial prosperity. German investments also demonstrate the potential for reciprocal benefits in certain fields such

¹⁴ Balaam and Dillman, *Introduction to International Political Economy*, 25–48; Cohn and Hira, *Global Political Economy*, 74–101.

¹⁵ Cohn and Hira, *Global Political Economy*, 74–101.

as technology, medicine, and renewable energy in order to enhance mutual cooperation and institutional mechanisms.

Additionally, Germany's development aid to Bangladesh is another example of neoliberal dynamics. The German government prioritises good governance, sustainable development, and capacity building through agencies such as GIZ and KfW. This collaboration promotes effective institutional management and competent organisational governance. Likewise, neo-liberal influences have been seen in the migration of Bangladeshi labourers to Germany and the larger European setting. Germany is looking for skilled employees from nations like Bangladesh due to employment shortages and an aging population. The neoliberal perspective of human capital, which emphasises human mobility as a strategy for optimising labour resources around the world, is closely related to understanding Bangladesh-Germany relationships. Moreover, as a major EU member, Germany also influences trade policies that have a substantial impact on Bangladesh. Favourable trade conditions offered by the EU's Generalised Scheme of Preferences (GSP) have encouraged Bangladesh's exports and are consistent with neoliberal ideals of lowering trade barriers. These advantages do, however, come with restrictions, highlighting the significance of environmental regulations and labour rights and demonstrating the intricate relationship between neoliberalism and social responsibility.

3. A Brief Historical Overview of Bangladesh-Germany Relations

Bangladesh and Germany have maintained a strong and trustworthy relationship since the establishment of their diplomatic ties on 11 January, 1972. This relationship is founded on mutual cooperation in economic, political, strategic, socio-cultural, and development areas. This recognition marked the first acknowledgment of Bangladesh by any country outside the Indian subcontinent and was made by Foreign Minister Otto Winzer.¹⁶ So far, Germany has provided over € 3.5 billion to Bangladesh for bilateral development cooperation projects.¹⁷ The key areas of cooperation in bilateral development projects between these two countries include sustainable economic development, climate and energy efficiency, biodiversity, civil society, and feminist development policy—all of which are crucial for Bangladesh's socio-economic

¹⁶ Sydney H. Schanberg, "Bangladesh Gains Recognition by 2," *The New York Times*, January 12, 1972, <https://www.nytimes.com/1972/01/12/archives/bangladesh-gains-recognition-by-2-move-by-east-germany-and-bulgaria.html>.

¹⁷ "Areas of Cooperation," Embassy of the Federal Republic of Germany Dhaka, accessed September 17, 2024, <https://dhaka.diplo.de/bd-en/topics/-/2077306>.

progress. Over time, Bangladesh and Germany have expanded their bilateral relations through various contacts, visits, agreements, and engagements at multiple levels.¹⁸

In 1972, both countries signed a Technical and Economic Cooperation Agreement aimed at enhancing technical and economic development, which entered into force in January 1982.¹⁹ The relationship further strengthened when former Bangladeshi President Ziaur Rahman made an official visit to West Germany in 1981. Two important agreements were signed between the two nations during this visit: one pertaining to the “Protection and Promotion of Investment”, which became functional in 1986, and another involving a DM 10 million loan from the KfW development bank.²⁰ After signing the contract on the “Promotion and Protection of Investment”, both countries affirmed that:

“Each Contracting Party shall in its territory promote as far as possible the investment of capital by nationals or companies of the other Contracting Party and admit such investments in accordance with its legislation. It shall in any case accord such investments fair and equitable treatment.”²¹

In 1985, Bangladesh and Germany signed the “Administrative Agreement for the Training of Bangladesh Armed Forces” marking the beginning of their military cooperation. In terms of cooperation in this sector, this deal offered the two countries’ bilateral ties an additional perspective. Diplomatic relations between the two nations were further strengthened in February 1986 with the historic visit of German President Richard von Weizsäcker.²²

From 1972 to 1990, both Bangladesh and Germany gradually strengthened their financial, technical, and economic ties, despite the former facing a significant trade deficit with the latter. An analysis since 1973 (see Figure 1) shows that the total trade volume hit the bottom in 1976 and its highest in 1990. Throughout this period, both countries exhibited low trends in imports and exports, particularly in Bangladesh’s exports to Germany. Conversely, Germany’s exports to Bangladesh hit their lowest point in 1988.

¹⁸ Dr. Delwar Hossain, Professor, Department of International Relations, University of Dhaka, interview with the authors, December 24, 2024.

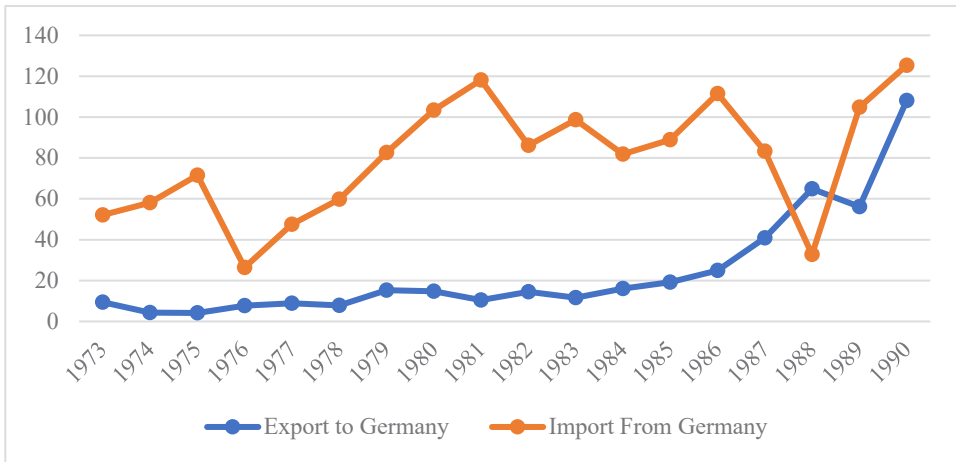
¹⁹ United Nations, “Agreement between the Government of the Federal Republic of Germany and the Government of the People’s Republic of Bangladesh,” UN-iLibrary, No. 36480, July 15, 1972, <https://doi.org/10.18356/6cd4f49e-en-fr>.

²⁰ Hossain, “Prospects and Challenges in Bangladesh’s Relationship with Germany,” 6.

²¹ “Agreement Between the Federal Republic of Germany and the People’s Republic of Bangladesh Concerning the Promotion and Reciprocal Protection of Investments,” *Article-1*, May 6, 1981, UNCTAD Investment Policy Hub, accessed November 17, 2024, <https://investmentpolicy.unctad.org/international-investment-agreements/treaty-files/264/download>.

²² “Agreement Protection of Investments.”

Figure 1: Bangladesh's Trade with Germany, 1973–90 (in million US\$)²³



As a result of increased political engagement, over time, Bangladesh and Germany have expanded their economic collaboration. On 29 May 1990, both countries signed an “Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income between Bangladesh and Germany.”²⁴ This contract aimed to prevent double taxation and enhance economic collaboration.²⁵ It officially came into force in 1993.²⁶ To further strengthen economic and development cooperation in alignment with Bangladesh’s foreign policy objectives, both the countries signed an additional agreement concerning financial cooperation in 1995, which took effect in 1996.²⁷ To strengthen bilateral ties, a nine-member delegation from the German parliament made a high-level visit to Bangladesh in February 2004.²⁸ The visit of high-ranking officials in May 2004 significantly advanced Bangladesh’s development cooperation with the GIZ, focusing on renewable energy, healthcare, economic reform, and market system development. This visit also contributed to an increase in the volume of bilateral trade between Bangladesh and Germany, enhancing their import and export patterns. From 1991 to 2008, bilateral trade rose compared to the previous period, despite Germany

²³ Prepared by the authors based on data collected from IMF Direction of Trade Statistics 1973–1990.

²⁴ “Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income between Bangladesh and Germany,” ACE Advisory, accessed September 20, 2024, <https://aceadvisory.biz/wp-content/uploads/2022/04/10.-DTAA-Germany.pdf>.

²⁵ “Agreement for the Avoidance of Double Taxation”.

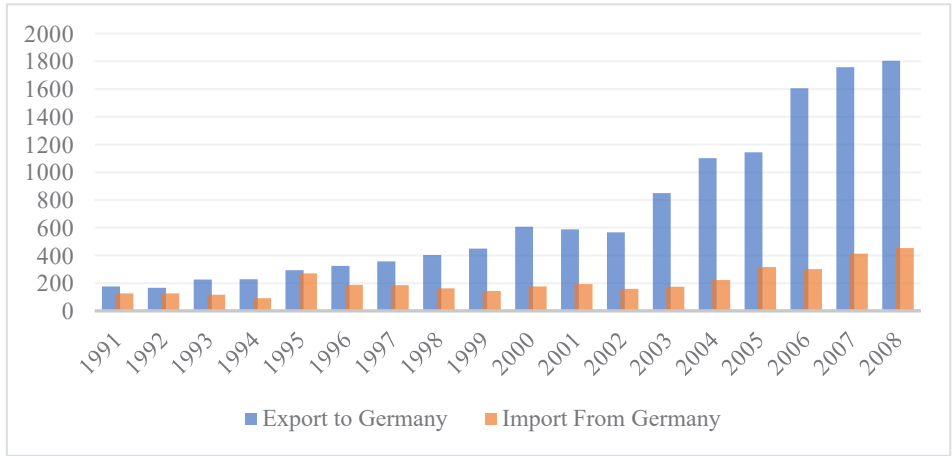
²⁶ Harun ur Rashid, “Bilateral relations between Bangladesh and Germany,” *The Daily Star*, July 16, 2009.

²⁷ “Agreement between the Government of the Federal Republic of Germany and the Government of the People’s Republic of Bangladesh concerning financial cooperation in 1995,” No. 43020, United Nations Library, accessed September 20, 2024, <https://www.un-ilibrary.org/content/books/9789210542524s002-c001/read>.

²⁸ Rashid, “50 Years of Germany-Bangladesh Relations”.

experiencing a notable trade deficit in terms of import and export volumes (see Figure 2). The two nations’ trade reached a height of a little over US\$ 2 billion in 2008, with Bangladesh reaping the vast majority of the benefits. Collectively, these agreements, visits, trade activities, and interactions from 1991 to 2008 underscore a vital bilateral development partnership between the two countries.

Figure 2: Bangladesh’s Trade with Germany, 1991–2008 (in million US\$)²⁹



Since 2009, the relationship between Bangladesh and Germany has significantly improved, marked by increased cooperation in commerce, energy, development, climate adaptation, education, health, investment, and sustainable development. Notably, during 2009’s first four months, Bangladesh’s exports to Germany rose by 27.5 per cent compared to the similar time in 2008.³⁰ Most of Bangladesh’s exports to Germany consist of ready-made garments, while the majority of its imports include chemicals, electronics, and pharmaceuticals. In 2011, the then Prime Minister visited Germany to enhance economic and development cooperation in line with Bangladesh’s foreign policy objectives. The same year, German President Christian Wulff made his first official visit to Bangladesh, aiming to strengthen bilateral economic and energy cooperation. During these significant meetings, both nations reaffirmed their commitment to enhancing economic collaboration based on mutual benefits. As a result, Bangladesh’s exports experienced substantial growth, with bilateral trade reaching approximately US\$ 6 billion in 2018 (see, Figure 3). Notably, Germany has become Bangladesh’s second-largest export destination for ready-made garments, after the USA.

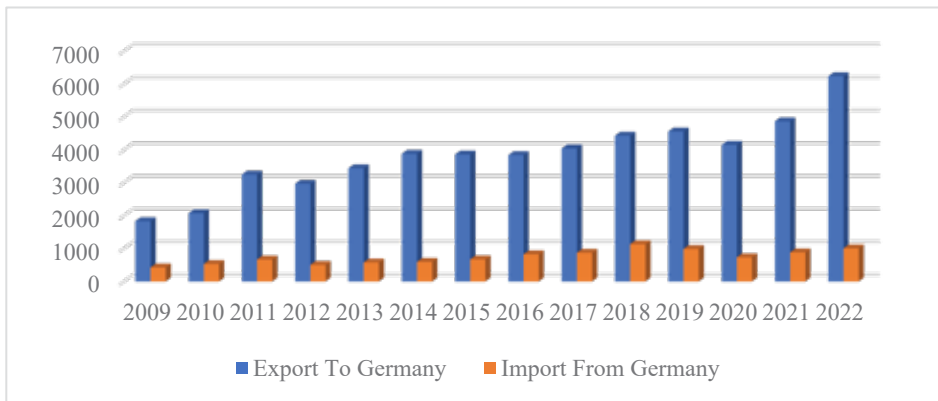
²⁹ Prepared by the authors based on data collected from IMF Direction of Trade Statistics 1991–2008.

³⁰ Rashid, “Bilateral relations between Bangladesh and Germany”.

From 2009 to 2022, bilateral trade demonstrated an upward trend, further solidifying relations between the two countries. In 2022, two-way trade reached its peak at around US\$ 7.5 billion, although the trade deficit for Germany in relation to Bangladesh increased. In 2018, both countries signed a € 327.2 million agreement aimed at enhancing technical and financial cooperation, a critical step in advancing the bilateral development between the two nations.³¹ In 2019, Bangladesh and Germany signed two bilateral development cooperation agreements, with Germany providing € 200 million in funding to support a range of development projects.³² Moreover, in November 2024, Germany committed to provide Bangladesh with € 180.807 million in financial and technical support, with an emphasis on trade infrastructure, technical education, renewable energy, and initiatives to stop domestic abuse against women and children.

There has been significant progress in bilateral trade between Bangladesh and Germany in recent years, with both countries collaborating faithfully to further enhance these ties. The German Academic Exchange Service (DAAD) and other organisations have also provided numerous scholarships annually to Bangladeshi students and young researchers for promoting socio-cultural development through interpersonal interactions. Consequently, Germany views Bangladesh as a key political, social, and economic partner that has fostered strong bilateral ties.

Figure 3: Bangladesh-Germany Bilateral Trade, 2009–2022 (in million US\$)³³



Moreover, Germany is assisting Bangladesh in restructuring its energy sector, particularly by enhancing the utilisation of renewable energy sources. KfW and GIZ,

³¹ “Bangladesh-Germany Sign Agreements worth €337.2m,” *Dhaka Tribune*, January 14, 2018.

³² “Germany to provide 200m Euro for development projects,” *Financial Express*, July 31, 2019.

³³ Prepared by the authors based on data collected from IMF Direction of Trade Statistics 2009–2022.

both mandated by the German Federal Government, are providing financial resources for photovoltaic systems for businesses, solar-powered irrigation pumps, and biogas facilities. Advancing the energy sector is a paramount priority for Bangladesh to harness its untapped economic, financial, and industrial potential. In this context, the German Federal Government is supporting Bangladesh in achieving its target of reducing carbon emissions by 10 per cent and transitioning to more sustainable energy sources.³⁴ Both countries have developed a variety of projects aimed at expanding sustainable energy cooperation. These initiatives are being implemented at different times by KfW and GIZ, in collaboration with various organisations, including the Infrastructure Development Company (IDCOL), West Zone Power Distribution Company Limited (WZPDCL), Bangladesh Rural Electrification Board (BREB), Bangladesh Bondhu Foundation (BBF), Sustainable and Renewable Energy Development Authority (SREDA), Bangladesh Solar & Renewable Energy Association (BSREA), Bangladesh Garment Manufacturers & Exporters Association (BGMEA), Consumers Association of Bangladesh (CAB), and the Power Division of the Ministry of Power, Energy, and Mineral Resources (MoPEMR).

The primary goals of these crucial development projects are to increase access to sustainable electricity, create environmentally friendly energy sources, enhance reliable transmission, improve people's quality of life, ensure the efficient use of solar energy technology, provide technical support, and foster public-private cooperation in the power sector. In July 2021, agreements totalling € 339.54 million were signed between Germany and Bangladesh, which included € 292.5 million for financial cooperation and € 47.04 million aimed at technical collaboration, with € 237.5 million specifically allocated for expanding energy collaboration under financial cooperation.³⁵

Following the commitments made during the most recent governmental negotiations in 2022, both countries signed two bilateral agreements on 03 September 2023, totalling € 191–136 million aimed at financial cooperation and € 55 million aimed at technical cooperation.³⁶ In a recent dialogue between the two countries in September 2024, Germany pledged to provide € 1 billion in support to Bangladesh for renewable energy collaboration, with € 15 million allocated for this year. This commitment is expected to further strengthen development cooperation between the

³⁴ "German Development Cooperation with Bangladesh," Embassy of the Federal Republic of Germany Dhaka, accessed September 21, 2024, <https://dhaka.diplo.de/blob/2507808/32a83621e9b7fc954487e2540f6f7665/german-development-cooperation-with-bangladesh-data.pdf>.

³⁵ "Germany to provide EUR 340m to Bangladesh for development projects," *Prothom Alo*, June 22, 2021.

³⁶ "Germany to provide €191m for sustainable development of Bangladesh," *The Financial Express*, September 4, 2023.

two countries.³⁷ Additionally, in 2024, Germany allocated € 22.17 million for five projects in Bangladesh, focusing primarily on energy solutions and solar energy cooperation, with both countries signing five crucial agreements related to these initiatives.³⁸

Moving forward, Germany is also supporting Bangladesh in sustainable urban development through various programmes aimed at enhancing migrant resilience and climate adaptation.³⁹ These projects involve collaboration among several organisations, including the Bangladesh Rural Advancement Committee (BRAC), Barishal City Corporation, the Local Government Engineering Department (LGED), the Dhaka Water Supply and Sewerage Authority (DWASA), the Bangladesh Planning Commission (BPC), and both governmental and non-governmental actors in five partner cities: Khulna, Barishal, Sathkira, Rajshahi, and Sirajganj. The Ministry of Environment, Forest and Climate Change (MoEFCC), the Department of Agricultural Extension (DAE), the Ministry of Agriculture (MoA), the Ministry of Local Government, Rural Development, and Cooperatives (MoLGRDC) of the People's Republic of Bangladesh, and the Geological Survey of Bangladesh (GSB) are also involved. These initiatives are financially supported by KfW, GIZ, and BGR. The primary objectives of these important projects include ensuring reliable geological knowledge, climate adaptation, water resource management, migration management, urban development, and livelihood improvement. Both countries signed three agreements worth € 25.5 million to further improve their relationship. These agreements addressed local governance, women's access to justice, and climate change, and they represent important development collaborations between the two nations.⁴⁰

Bangladesh and Germany signed two agreements in 2024 to manage the Sundarbans and conserve its ecosystem sustainably.⁴¹ Additionally, in a significant step towards environmental management, they initiated the "Good Working Conditions in Tanneries (GOTAN)" Project, with a total budget of € 4 million, which is expected to be completed by 2025. Thus, it can be said that Bangladesh and

³⁷ "Germany to provide €1bn support to Bangladesh for renewable energy," *Dhaka Tribune*, September 17, 2024.

³⁸ "Germany to provide €22m for 5 projects," *The Business Standard*, February 14, 2024.

³⁹ "German Development Cooperation with Bangladesh," Embassy of the Federal Republic of Germany Dhaka.

⁴⁰ "Germany to provide 25.5m Euros to Bangladesh in 3 projects; deals signed," *Bangladesh Sangbad Sangstha*, November 16, 2023, <https://www.bssnews.net/business/158617>.

⁴¹ "Bangladesh and Germany sign two agreements for Sundarban Management & Environmental Conservation," *United News of Bangladesh*, July 9, 2024, <https://www.unb.com.bd/category/Bangladesh/bangladesh-and-germany-sign-two-agreements-for-sundarban-management-environmental-conservation/139016>.

Germany are working together to elevate their bilateral development partnership to a new level, focusing on collaboration and sustainable development.

To ensure a peaceful and inclusive society, both countries are collaborating on a variety of programmes in partnership with numerous national and international institutions.⁴² The primary objectives of these initiatives focus on enhancing the quality of the justice system, developing institutions, increasing service utilisation, bolstering disaster resilience, guaranteeing equitable access to sanitation, ensuring the resilience of the Rohingya community, and providing access to quality education for Rohingyas. Additionally, Germany is involved in various projects related to sustainable textiles, reintegration of injured workers, electrical safety systems, higher education, and leadership development, totalling approximately € 90 million in development projects from 2017 to 2023 that demonstrate significant cooperation between the two countries.⁴³ GIZ expressed interest in providing Bangladesh with more technical assistance throughout February 2021 so that the country may develop competent human capital in textile education.⁴⁴ As a result, the Ministry of Education (MoE), Government of the People's Republic of Bangladesh, and the German Federal Ministry for Economic Cooperation and Development (BMZ) have jointly implemented a project, "Higher Education and Leadership Development for Sustainable Textiles in Bangladesh (HELD)", with a duration between January 2021 and December 2024. The project had a budget of € 7.78 million, which was allocated to implement sustainability curricula, conduct capacity-building training and leadership activities within the tertiary-level education, and leather industries sectors of Bangladesh. Four specific areas were targeted by this project: higher education, technical and vocational education and training, on-the-job leadership training, and academia-industry nexus. The project was designed with the hope that upon completion, the target individuals would translate their acquired knowledge of sustainability into action, leading to the creation of a decent work environment that would benefit the performance and global competitiveness of Bangladesh's textile industry and contribute to overall prosperity.

In summary, an examination of the historical context between Bangladesh and Germany reveals that both nations have established themselves as reliable and trustworthy development partners across various sectors. The economic interactions indicate that Bangladesh has maintained a positive trade balance since the 1990s.

⁴² "German Development Cooperation with Bangladesh," Embassy of the Federal Republic of Germany Dhaka.

⁴³ "German Development Cooperation with Bangladesh," Embassy of the Federal Republic of Germany Dhaka.

⁴⁴ Sheikh Abdur Rahman, "Bangladesh-German Relations: Current Trends and Prospects," *Modern Diplomacy*, July 09, 2021, <https://moderndiplomacy.eu/2021/07/09/bangladesh-german-relations-current-trends-and-prospects/>.

However, despite their extensive bilateral collaboration, both countries face several challenges that require proper attention.

4. Challenges in Bangladesh-Germany Relations

Although Bangladesh and Germany have increased their bilateral partnerships, both countries face significant obstacles. To accelerate bilateral relations, a number of issues must be addressed, including insufficient academic collaboration, trade imbalance, limited technological development and innovation in Bangladesh, a lack of infrastructure, political instability, language and distance barriers, and other mutual issues. The aforementioned challenges can be categorised as political, economic, social, and structural challenges that affect the two countries' bilateral relations.

4.1 Political Challenges

Due to the distinct political culture and system, the political cooperation may appear unusual between Bangladesh and Germany. As a developing nation, Bangladesh follows parliamentary democracy with a high degree of political instability and lack of good governance. On the contrary, Germany as a European developed country follows federal parliamentary republic with a high degree of democratic political culture and lasting political system. Despite supporting human rights and good governance in Bangladesh, the political environment, lack of democratic practice, and violations of human rights could strain the political cooperation between the countries.⁴⁵ Moreover, the fragile economy of Bangladesh, due to political upheaval, are affecting the small traders and foreign investors.⁴⁶ Political turbulence in Bangladesh creates uncertainty about smart investment and causes significant discomfort for business partners, both of which have a detrimental impact on financial investment and economic progress.⁴⁷ Political instability clearly results in major infrastructural bottlenecks, delayed decision-making, inefficiency, low human resource expertise, and corruption, all of which have lowered foreign investment in Bangladesh. Therefore, in order to strengthen its bilateral ties with Germany, Bangladesh must ensure its political stability through democratic means. Similarly, the problem of poor governance, inadequate rule of law, and abuses of civilian rights in Bangladesh raises severe concerns for the country's relations with Germany. After the July Mass Uprising in Bangladesh in 2024, the hopes and expectations from Germany in improving political situations and reconciliation in

⁴⁵ Dr. Muhammad Shafiul Azam, Director, West Europe and EU, Ministry of Foreign Affairs, Bangladesh, interview with the authors, December 22, 2024.

⁴⁶ Faisal Mahmud, "Bangladesh's ongoing political crisis is 'high risk' for fragile economy," *Aljazeera*, November 15, 2023, <https://www.aljazeera.com/economy/2023/11/15/bangladeshs-ongoing-political-crisis-is-high-risk-for-fragile-economy>.

⁴⁷ Dr. Muhammad Shafiul Azam, interview with the authors.

Bangladesh has increased, which is evident in the words of German Ambassador to Bangladesh Achim Tröster. He noted in this regard,

“The German government assumes that with the establishment of the Interim government, the common basis for cooperation – bilaterally as well as in the framework of its cooperation with the European Union – has broadened... now Germany can share more democratic values and principles with Dhaka than before and hoped to jointly seize the opportunity for the benefit of the people of Bangladesh, advancing freedom, participatory democracy, and broader prosperity... Being a democracy, we believe in these values, and we have seen that large parts of the society in Bangladesh were willing to assume enormous personal sacrifices, up to the ultimate, for these aspirations”.⁴⁸

The emerging aspirations that emerged from the newer political realities will be met by German commitment to stand beside Bangladesh in building a new future. In this aspect, Ambassador Erik Kurzweil, the German Federal Commissioner for Indo-Pacific, South Asia, and Afghanistan, has promised that Germany will investigate ways to expand dialogue on a sustainable transition.⁴⁹

Furthermore, geopolitics in the Bay of Bengal (BoB) and Indo-Pacific regions may pose substantial challenges to Bangladesh-Germany relations. Maintaining balanced relations with China and Germany or the Western Bloc will be challenging for Bangladesh since Germany promotes the broader Western and EU principles and strategic goals that are diametrically opposed to China’s ambitions in the Indo-Pacific and BoB regions.⁵⁰ As a result, this entails negotiating a foreign policy landscape in which Germany’s strategic ambitions may not always coincide with Bangladesh’s national interests.⁵¹ Additionally, South Asian regional conflicts, especially those involving India and Myanmar, can occasionally impact Bangladesh’s diplomatic ties, making it more difficult for Germany to fully participate in discussions of shared concern.⁵² Last but not least, the German government’s migration policy could represent a significant challenge to bilateral relations between these two countries. Germany does not follow the liberal policy of the EU, and its political parties, whether left or right, do not embrace liberal immigration policies.⁵³ Recent data indicates that

⁴⁸ “Interim govt broadens collaboration with Germany, EU: German envoy,” BSS News, November 05, 2024, <https://www.bssnews.net/news-flash/221059>.

⁴⁹ “Germany to stand by aspirations for a new Bangladesh: Federal Commissioner,” TBS News, October 24, 2024, <https://www.tbsnews.net/bangladesh/germany-stand-aspirations-new-bangladesh-federal-commissioner-974966>.

⁵⁰ Dr. Delwar Hossain, interview with the authors.

⁵¹ Dr. Niloy Ranjan Biswas, interview with authors.

⁵² Dr. Niloy Ranjan Biswas, interview with authors.

⁵³ Dr. Delwar Hossain, interview with the authors.

more than 56,000 Bangladeshi visas are pending in the German Embassy in Dhaka due to the complex visa processing procedures.⁵⁴

4.2 Economic Challenges

As Bangladesh prepares to cross the status of the least developed country in 2026, it will face several economic challenges. Although this point shows the nation's economic development and progress, it will also indicate numerous concerns regarding the durability and the possible impacts on trade and foreign direct investment. An Analysis estimates that the LDC graduation for Bangladesh will decline 11.8 per cent in readymade garment (RMG) exports and a 1.53 per cent decline in GDP.⁵⁵ At present, Bangladesh gets preferential access benefits to the market for textiles and clothing in the industrialised countries through GSP, but the country will face more tariff and non-tariff barriers and other challenges after the LDC graduation that would hamper competitive exports. Besides, the economic sectors such as leather and food items may suffer due to this status. As a result, the ability of global competition could be lowered if the benefits are lost.⁵⁶ Bangladesh could also find it more difficult to enjoy preferential access to key markets that presently allow for reduced tariffs and duty-free access for imports.⁵⁷ The aforementioned reasons will pose severe challenges for Bangladesh if Germany does not allow preferential access after the LDC graduation. The majority of Bangladeshi goods are currently qualified for duty-free entry under the EU's 'Everything but Arms' (EBA) programme. However, Bangladesh can face increased trade restrictions and taxes after graduation, which could reduce its competitive advantage with Germany.⁵⁸ Germany may have higher standards for openness and regulatory compliance since it is a major partner in foreign investment. Bangladesh's economic situation could become more complex if these expectations are not met, as it may discourage potential German investors from engaging in the vast market.

Infrastructure is consistently recognised as a key factor in economic growth, development, and investment opportunities, attracting significant attention from policymakers in recent years. Poor infrastructure adversely affects economies by hindering access to markets and opportunities, increasing operational costs, and

⁵⁴ Uttam Kumar Karmaker, Additional Secretary, Economic Relations Division, Ministry of Finance, Bangladesh, interview with the authors, December 23, 2024.

⁵⁵ Ahasan Ahmed, "Bangladesh's LDC graduation: challenges and opportunities," *New Age*, January 16, 2024.

⁵⁶ Ahmed, "Bangladesh's LDC graduation".

⁵⁷ Rashedul Kabir, "Trade Agreements: A Strategic Approach to Overcome Graduation Challenges," Bangladesh Foreign Trade Institution, October 12, 2024, <https://www.bfti.org.bd/blog-details/13>.

⁵⁸ Dr. Delwar Hossain, interview with the authors.

amplifying risks and uncertainties for both individuals and businesses.⁵⁹ While industrial growth paves the way for enhanced access to neighbouring nations and stronger trade linkages—potentially yielding greater financial benefits in an increasingly competitive arena—key infrastructure assets can drive economic gains by fostering urbanisation.⁶⁰ While analysing Bangladesh-Germany relations, it is evident that weak infrastructure, particularly electricity and gas shortages, poses a significant challenge. Investors are unlikely to focus on Bangladesh—a developing nation in South Asia—unless the country improves its overall infrastructure, including its roads, and expands its gas and power supply.

Achim Tröster, the German Ambassador to Bangladesh, has urged Bangladeshi businesses to prepare for possible challenges arising from a new law that Germany enacted for assessing human rights practices within supplier networks.⁶¹ Consequently, Bangladeshi exporters that serve German businesses now have a great deal of responsibility to get ready, especially in light of the supply chain law's approval.⁶² Bangladesh's reputation might be gained if living standards and working conditions for workers in the RMG and other economic sectors improved. Hence, Bangladesh must also uphold human rights, labour rights, climate resilience, and good governance to be eligible for GSP plus future preferential trade privileges. Germany places a strong focus on labour standards and human rights in its international dealings being a major member of the EU.⁶³ On the contrary, Bangladesh's labour rights have drawn international criticism, especially in the apparel industry, where poor working conditions, inadequate wages, and safety regulations are concerns. Following the Rana Plaza catastrophe in 2013, Bangladesh was under pressure to enhance overall working conditions for the labourers.⁶⁴ Despite improvements, ongoing scrutiny from Germany and other EU countries may pose obstacles for Bangladesh to achieve expectations.⁶⁵

Besides, the criteria used to identify the nation of origin of a product are known as rules of origin. They are significant because the source of imports dictates

⁵⁹ Xuehui Han, Jiaqi Su and Jang Ping Thia, "Impact of Infrastructure Investment on Developed and Developing Economies," *Economic Change and Restructuring* 54, no. 4 (2021): 995–1024.

⁶⁰ Syed Naimul Abedin, "Infrastructure development in BD: sights set on endgame," *The Financial Express*, November 24, 2021.

⁶¹ "Germany to assess human rights in supply chain: Bangladeshi exporters should be ready, says ambassador," *The Daily Star*, March 14, 2022.

⁶² "Germany to assess human rights in supply chain," *The Daily Star*.

⁶³ Dr. Niloy Ranjan Biswas, interview with authors.

⁶⁴ Dr. Niloy Ranjan Biswas, interview with authors

⁶⁵ Dr. Niloy Ranjan Biswas, interview with authors

applicable duties and specifications.⁶⁶ The primary objectives of rules of origin include the implementation of anti-dumping duties, applying safeguard measures, and determining whether an imported product qualifies for quota-free access. Stringent rules of origin, which create barriers such as high entry costs or duties, present significant economic challenges for countries like Bangladesh and Germany.⁶⁷ For instance, products such as bicycles, e-bikes, and agricultural exports from Bangladesh face strict rules of origin in developed markets like the EU, the US, Germany, and Japan. As a result, during the 10th Ministerial Summit, Bangladesh, serving as the WTO coordinator for the LDCs, advocated for an easing of these stringent regulations to allow more commodities from LDCs to qualify for duty-free status.⁶⁸

Currently, anti-dumping taxes and other levies, together with concerns regarding the country of origin of the items, are affecting Bangladesh's bicycle exports to Germany, its biggest market.⁶⁹ To address these uncertainties, the German government has been pressuring Bangladesh to permit inspections of its bicycle manufacturing facilities. According to the Bangladesh Bicycle and Parts Manufacturers and Exporters Association (BBPMEA), German regulations are unnecessarily disputing the bicycles' Bangladeshi origins which could impact negatively both German importers and Bangladeshi bicycle exports to Germany. This can cause an estimated US\$ 30–40 million loss annually.⁷⁰ Strict country-of-origin regulations remain as a significant barrier to Bangladesh's relationship with Germany that needs to be addressed. Conversely, Germany has faced substantial trade deficit challenges, particularly from 1990 to the present, despite Bangladesh experiencing trade deficit issues since the establishment of diplomatic relations. The relationship is heavily lopsided in favour of Bangladesh's exports, particularly those from the textile industry. This over-reliance on a single industry makes it vulnerable, especially if global textile demand shifts or the EU trade restrictions change significantly.⁷¹ Both countries continue to encounter challenges in growing Bangladesh's industrial

⁶⁶ "Technical Information on Rules of Origin," World Trade Organization, accessed September 24, 2024, https://www.wto.org/english/tratop_e/roi_e/roi_info_e.htm#:~:text=Definition,to%20the%20rules%20of%20origin.

⁶⁷ Mohammad Abdur Razzaque, Jilur Rahman, Rakin-Uz-Zaman, Sumaeya Akhter, Deen Islam and Abu Eusuf, *Bangladeshi Exports to the European Union: Exploring Opportunities for Diversification* (Dhaka: Research and Policy Integration for Development (RAPID), 2024), https://bangladesh.fes.de/fileadmin/user_upload/images/publications/Bangladeshi-exports-to-the-EU-RAPID.pdf.

⁶⁸ Refayet Ullah Mirdha, "Bangladesh leads calls for easy rules of origin," *The Daily Star*, October 01, 2015.

⁶⁹ Rezaul Karim, "Germany demands BD factory visit to validate bicycle origin," *The Financial Express*, June 19, 2023.

⁷⁰ Karim, "Germany demands BD factory visit."

⁷¹ Dr. Niloy Ranjan Biswas, interview with authors.

capacity and diversifying its export base. Thus, maintaining a balanced trade with Bangladesh presents a major challenge for Germany today.⁷²

4.3 Social Challenges

In the past few decades, the percentage of Bangladeshi students studying abroad has significantly increased around the world, including in the US, United Kingdom (UK), Japan, Australia, New Zealand, Netherlands, Belgium, South Korea, and Malaysia. This growing inclination is determined by several reasons, such as high-quality education, access to worldwide service marketplaces, better-quality living environments, and chances for expertise attainment and training.⁷³ Though Bangladesh enjoys a sizable and young human resource poor quality of education, skills, and training hampers the mutual advancement of people-to-people interaction.⁷⁴ Furthermore, the German language poses a significant barrier for Bangladeshi students, businesspeople, and migrants.⁷⁵

4.4 Structural Challenges

For the development of climate resilience, adaptation, inclusive societies, economic growth, technical cooperation, and sustainable growth, both of the two countries have engaged in a variety of development projects and initiatives. The government of Germany has enhanced the notion of moving forward about mitigating climate change and accelerating development initiatives in Bangladesh.⁷⁶ Nevertheless, more than 70 per cent of projects are not carried on period due to inadequate liability, transparency, governance, dishonesty, and weak supervision.⁷⁷ These issues may also distress the two countries' bilateral development projects. In addition, the Bangladeshi lateral proclaims that over 60 to 70 per cent of a development project's cost is disbursed on consulting charges, with Bangladeshi consultants having less access than Germans due to Germany's disproportionate control over the project's operation.⁷⁸ Consequently, operation challenges will continue to pose a crucial barrier to cultivating relations between the countries.

⁷² Dr. Niloy Ranjan Biswas, interview with authors.

⁷³ Kamrul Islam, "Global Pursuit of Knowledge: Unraveling the Surge of Bangladeshi Students Studying Abroad," *Perspective*, March 03, 2024, <https://www.perspectivebd.com/article/global-pursuit-of-knowledge:-unraveling-the-surge-of-bangladeshi-students-studying-abroad>.

⁷⁴ Dr. Delwar Hossain, interview with the authors.

⁷⁵ Uttam Kumar Karmaker, interview with the authors.

⁷⁶ "Bangladesh seeks German support to implement NAP on climate change," *The Financial Express*, February 26, 2023.

⁷⁷ "Over 70% public projects not completed on time," *The Daily Star*, May 13, 2024.

⁷⁸ Uttam Kumar Karmaker, interview with the authors.

5. Future Outlook: Prospective Areas of Cooperation

In terms of future relations between Bangladesh and Germany, it can be said that the two countries may uphold their relationships to a new height. Their economic relations are likely to be increased in the future, especially in the fields of trade, investment, people-to-people contact and technology transfer.⁷⁹ Due to Germany's high-quality technology and Bangladesh's amplifying position as an investment hub, both countries can enhance their bilateral relations in the areas of manufacturing and renewable energy. Germany's commitment to sustainable development can help Bangladesh mitigate climate change and boost green growth, potentially strengthening the two nations' relationship.⁸⁰ Furthermore, Bangladesh's mission to diversify its economy and reduce its dependence on the garments sector could benefit through the German investment in information technology, engineering and information and communication technology (ICT).⁸¹ The relationship regarding people-to-people contact will be increased through numerous initiatives, including academic exchanges and skill development programmes. Nevertheless, dealing with challenges like human rights, labour rights, lack of political stability, climate change, and geopolitics would take thoughtful consideration. The future relationship between the two countries is expected to increase through reform initiatives, including labour standards and sustainable environmental policy.⁸² In the future, there are many sectors where the two countries could increase their bilateral relations.

5.1 New Trade Areas: Shipping, Vaccine, Leather and Electronics

Bangladesh holds a favourable position compared to Germany when it comes to exporting a diverse range of products while ensuring quality and effective production management. The shipping industry and vaccine production can be two new areas of cooperation in order to expand export collaboration. In this context, Bangladesh must create a sustainable environment and maintain a labour-friendly production process. While Bangladesh primarily emphasises the textile industry in its trade with Germany, there is significant potential for growth in exports of leather goods, frozen seafood, electronics, and engineering products.⁸³ Additionally, Germany could provide Bangladesh access to advanced agricultural machinery, which would support the growth of Bangladesh's agricultural sector in the future.

⁷⁹ Dr. Niloy Ranjan Biswas, interview with authors.

⁸⁰ Dr. Muhammad Shafiul Azam, interview with the authors.

⁸¹ Dr. Delwar Hossain, interview with the authors.

⁸² Uttam Kumar Karmaker, interview with the authors.

⁸³ Dr. Muhammad Shafiul Azam, interview with the authors.

5.2 Education, Training and Research

While Bangladesh and Germany collaborate on developing a peaceful and inclusive society through skill development programmes, prioritising education and research could open new avenues for cooperation in the future. Education is a crucial foundation for societal and economic progress as well as national advancement. Both the countries can enhance their bilateral academic cooperation in the field of research, through developing faculty collaborations and creating cooperative academic programmes.⁸⁴ This includes student skill development and exchange programmes for both teachers and students. By promoting job-oriented skill programmes, both countries can identify existing skill gaps in the labour market and improve employability to meet industry demands. Collaborative research projects, capacity-building efforts, and educational partnership agreements are noteworthy activities that can enhance cross-cultural understanding and establish long-term collaborations between educational institutions and businesses.

While it is evident that many Bangladeshi students are pursuing higher education in Germany through various programmes, particularly the DAAD scholarships, there is potential for more academic initiatives and public diplomacy efforts. These include seminars, conferences, and debates, as well as scholarly research and publications on Bangladesh-Germany relations at the national, regional, and international levels. To enhance bilateral relations, both the countries need to implement effective policies, strong leadership, measures, and initiatives in this regard.

5.3 Transforming Relations from Development to Comprehensive Partnership

From the above discussion, it can be said that Bangladesh and Germany have the potential to elevate the relationship to a comprehensive partnership centred on trade, development, strategic, economic cooperation, technology transfer, and sustainable development projects that reflect mutual national interests and benefits. Germany, one of the world's largest economies, can be critical to Bangladesh's continued development and modernisation, while the latter provides the former with a growing market and access to a qualified workforce.⁸⁵ Bangladesh already has a strong commercial tie with Germany, particularly in the textile and garment industries. Germany is one of Bangladesh's major customers and the second-largest apparel exporter in the world. Nonetheless, there is a strong possibility that this trading relationship will deepen in the years to come. Germany's requirement for sustainable and ethically manufactured goods provides a unique opportunity for Bangladesh to

⁸⁴ Dr. Delwar Hossain, interview with the authors.

⁸⁵ Dr. Niloy Ranjan Biswas, interview with authors.

shift towards more environment-friendly clothing production.⁸⁶ As the EU prioritises sustainability in trade deals, Bangladesh will gain from Germany's quest for greater environmental standards and fair-trade practices. Likewise, over the past few decades, it has become evident that Bangladesh relies heavily on China and India for military, defence, and security-related hardware purchases. Bangladesh has to broaden its military hardware supply sources, and European countries, particularly Germany, could play a crucial role in this regard. Germany possesses one of the most advanced military technological capabilities, which could provide Bangladesh with new opportunities to acquire high-quality military equipment. By exchanging advanced technologies, Germany can assist Bangladesh in developing its cooperative manufacturing capacity within the security and defence sectors.

5.4 *Healthcare and Pharmaceuticals Industry*

Collaboration in the healthcare sector is considered one of the significant sectors regarding the development of bilateral relations between Bangladesh and Germany. Germany has a high-quality healthcare institution and pharmaceutical industry which are globally recognised. On the other hand, Bangladesh's remarkable development in vaccination, medicine and cheap healthcare could accelerate the two countries cooperation in the healthcare and pharmaceutical areas and could open a new area of investment and trade.⁸⁷ Both of the two countries, therefore, can open joint ventures in this significant area.

5.5 *Innovation and Technology*

Worldwide, Germany is known as a country of advanced quality technologies. Although this country has not made large investments in the field of innovation and technology since the beginning of its relations with Bangladesh, this sector could be another promising area of further collaboration.⁸⁸ Bangladesh's demand for more German investment, along with its emerging hub for digital innovations and partnerships could enhance the collaboration between the two countries. Therefore, in this area, both countries can accelerate their collaboration for scientific research and technological exchange in the future.

5.6 *Urban Planning and Sustainable Development*

Recently, due to the notable infrastructure development and urbanisation, Bangladesh is grappling with numerous challenges, including pollution, environmental downfall, and climate change.⁸⁹ The adverse impacts due to these

⁸⁶ Dr. Niloy Ranjan Biswas, interview with authors.

⁸⁷ Dr. Muhammad Shafiqul Azam, interview with the authors.

⁸⁸ Uttam Kumar Karmaker, interview with the authors.

⁸⁹ Uttam Kumar Karmaker, interview with the authors.

concerns hinder the process of sustainable urban development and planning. Hence, it is not possible to ensure sustainable urban development without mitigating these challenges. Germany, as a developed nation, has enormous expertise in urban planning, development, and sustainable tactics, which can give fruitful insights and practical assistance to support the targets of Bangladesh's urban planning and development. As yet, Germany has not given noteworthy technical assistance in the field of sustainable urban development in Bangladesh, but there is a huge potential to increase bilateral collaboration in this field to mitigate climate change and ensure climate resilience.⁹⁰

5.7 Skilled Human Resource Recruitment

It is noticeable that Bangladesh has an enormous demographic dividend due to its sizable number of young people around the country, which has tremendous potential to enhance skilled human resources cooperation between Bangladesh and Germany. Both countries can enhance their collaboration, resulting in a strong partnership for expanding bilateral relations.⁹¹ To accomplish that, Bangladesh, on the one hand, needs to ensure quality and skilful human resources through training and quality education and on the other, Germany can assist in this area. Meanwhile, Germany should ensure proper health facilities, labour rights and standard salaries for Bangladeshi workers.

6. Conclusion

It can be argued from the above discussions that the relationship between Bangladesh and Germany has been thriving based on friendship and mutual cooperation. The relations can be termed as moving towards a comprehensive partnership, where ideational features converge between two actors. Even though spectators are shy of calling the Bangladesh-Germany relationship a strategic one, it is clear from the above analyses that these two nations have a relationship that can be characterised as a “trusted friendship” or “all-weather friendship”. Over the years, both the countries have strengthened their burgeoning relationships through agreements that encompass economic engagement, soft loans, cultural and academic exchanges, trade, climate change mitigation and adaptation efforts, and infrastructure development to name a few. This evolving partnership reflects a commitment to mutual growth and collaboration across various sectors, paving the way for transforming the existing enhanced bilateral cooperation into a comprehensive one.

⁹⁰ Uttam Kumar Karmaker, interview with the authors.

⁹¹ Dr. Muhammad Shafiul Azam, interview with the authors.

Despite the successes of collaboration in some key areas, challenges remain due to trade imbalances, infrastructure deficiencies, and political instability in Bangladesh among others. There is also a notable knowledge gap in scholarly literature analysing the nuanced aspects of Bangladesh-Germany relations. Addressing these gaps in research could provide a guideline for transforming mere bilateral cooperation into a deeper and more comprehensive partnership in certain areas like trade, education, and innovation among others. The ongoing collaboration holds promise for both nations, aiming for sustainable development and mutual prosperity in the years to come. Both nations, thus, may look for avenues to further strengthen their relations in some other potential sectors which could be but are not limited to: identifying newer trade items and increased foreign direct investments (FDIs), education, training and research, urban planning and sustainable development, ICTs, healthcare and pharmaceuticals, and skilled human resource development, etc.

Moutusi Islam

TOWARDS A SUSTAINABLE BAY OF BENGAL BLUE ECONOMY: ROLE OF BIMSTEC

Abstract

This paper examines the current trends in blue economy policies among BIMSTEC member states, by analysing national initiatives through four prevailing narratives: oceans as natural capital, oceans as livelihoods, oceans as good business, and oceans as innovation, as identified by Michelle Voyer et al. The analysis reveals a diverse yet interconnected landscape, with each country's blue economy policy shaped by unique socio-economic and environmental contexts. While BIMSTEC countries share common concerns such as sustainability, marine pollution, livelihoods and marine spatial planning, they diverge in areas such as business-oriented growth, security priorities, ecosystem management and valuation studies. Key challenges to blue economy implementation in the region include inconsistent policies, overlapping regional frameworks, maritime security issues, inadequate funding, limited infrastructure, and political tensions. To address these obstacles, the paper offers policy recommendations such as formulating a consistent definition of blue economy, developing an accounting framework, harmonising policies, enhancing capacity building and technical assistance, fostering maritime security cooperation, aligning with other regional blue economy initiatives and creating a comprehensive BIMSTEC Blue Economy Plan of Action.

Keywords: Blue Economy, BIMSTEC, Sustainable Development, Maritime Security, Policy Harmonisation

1. Introduction

The oceans and seas are regarded as the primary food sources and drivers of global economic growth in the 21st century. Since ancient times, humanity has relied on marine resources for economic gain, establishing the ocean economy as a distinct area of economics. However, with growing environmental concerns over the unrestrained exploitation of natural resources, the concept of the blue economy emerged.¹ The blue economy emphasises on economic growth, social inclusion, and improved livelihoods, all while ensuring environmental sustainability.² Although the concept lacks a universal definition, it has gained prominence due to its potential to

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¹ Somnath Hazra and Anindya Bhukta, *The Blue Economy: An Asian Perspective* (Switzerland: Springer, 2022), 3.

² Robert C. Brears, *Developing the Blue Economy* (Switzerland: Palgrave Macmillan, 2021), 34.

establish interconnected frameworks. Its adaptability enables the development of integrated strategies and actions for ocean management, with the flexibility to evolve in response to emerging opportunities and challenges.

The Bay of Bengal (BoB), covering approximately 2.17 million square kilometres (sq. km), holds immense potential for promoting a sustainable blue economy.³ It is home to eight per cent of the world's mangroves and 12 per cent of its coral reefs.⁴ The nutrient-rich waters, fed by the Ganges and Brahmaputra rivers, support abundant fish populations.⁵ The marine and coastal resources of the BoB provide food, livelihood, and security for more than 400 million people in the littoral countries, either directly or indirectly.⁶ The annual fish production is nearly 6 million metric tonnes, valued at US\$ 4 billion.⁷ With some of the largest oil and gas deposits in the world, along with other bottom minerals, the Bay is also full of unexplored natural resources. Additionally, it is home to significant Sea Lines of Communication (SLOC) and acts as a transit area between the Indian and Pacific Oceans. Blue economy sectors account for 3.2, 4.1, 3.5, 1.3 and 22.6 per cent of the Gross Domestic Product (GDP) of Bangladesh, India, Myanmar, Sri Lanka, and Thailand, respectively.⁸ Therefore, the blue economy contributes significantly to the economic growth of the littoral countries.

However, the BoB faces numerous challenges, including overexploitation of fisheries, marine pollution, the adverse impacts of climate change, etc. Illegal, Unreported, and Unregulated (IUU) fishing in the BoB continues to be a significant problem, costing the region between US\$ 3 billion and US\$ 10 billion annually.⁹ Furthermore, the Bay faces significant difficulties preserving the marine ecosystem from pollution because of land and sea-based sources. Moreover, the coastal regions of the BoB are extremely vulnerable to natural calamities, and the region is likely to be severely impacted by the global effects of climate change, such as increasing sea

³ "Bay of Bengal," Encyclopedia Britannica, accessed January 15, 2025, <https://www.britannica.com/place/Bay-of-Bengal>.

⁴ "Strategic Action Programme, the Bay of Bengal Large Marine Ecosystem (BOBLME)," BOBLME, accessed January 15, 2025, <http://www.boblme.org/documentRepository/BOBLME%20SAP-Final.pdf>.

⁵ Uttam Kumar, Md. Sohel Parvez, Jewel Das, Chowdhury Mohammad Nizamuddowla and Satya Ranjan Tarafdar, "Capture Fisheries Scenario of the Bay of Bengal, Bangladesh in the Last Two Decades Through Industrial Freezer Trawler," *Research in Agriculture, Livestock and Fisheries* 3, no. 1 (2016): 217.

⁶ Susana V. Siar et al., *Sustainable Management of the Bay of Bengal Large Marine Ecosystem (BOBLME) Programme* (Bangkok: Food and Agriculture Organisation, 2018).

⁷ Siar et al., *Sustainable Management of the BOBLME*.

⁸ Mani Juneja, Christina De Souza, Asha L. Grierian and Swati Ganeshan, *Contextualising Blue Economy in Asia-Pacific Region* (Hong Kong SAR: Konrad-Adenaur-Stiftung e.V., 2021), <https://www.teriin.org/sites/default/files/2021-03/blue-economy.pdf>.

⁹ V. Hoon, M. Saleem and P. Townsley, *Key Considerations for a Regional SocMon Strategy for the Bay of Bengal Large Marine Ecosystem Countries in South Asia* (Thailand: Bay of Bengal Large Marine Ecosystem Project (BOBLME), 2015), <http://hdl.handle.net/1834/34626>.

levels, warmer ocean temperatures and ocean acidification. These challenges and opportunities require concerted and sustained blue economy cooperation efforts among the littorals of the BoB.

The enthusiasm for blue economy cooperation has been largely palpable in the Indian Ocean Region and the Indian Ocean Rim Association (IORA) has made the blue economy as one of its key priorities. In the Dhaka Declaration on Blue Economy, attendees of the Third Ministerial Conference of the IORA in 2019 unanimously urged for the blue economy to be used sustainably.¹⁰ In order to guarantee a balanced approach between conservation and development, the Dhaka Declaration incorporated the concepts, tenets, and standards of blue economy. Additionally, creating blue economy goals as a major driver of inclusive economic growth, job creation and education through a phased strategy with short, medium, and long-term targets is another aspect of the IORA Action Plan.¹¹ Besides, the Association of Southeast Asian Nations (ASEAN) has adopted the ASEAN Leaders' Declaration on Blue Economy in 2021 and the ASEAN Blue Economy Framework in September 2023 for promoting sustainable economic growth in this region.¹²

Similarly, the Bay of Bengal Initiative for Multi-Sectoral and Economic Collaboration (BIMSTEC)¹³ has recognised blue economy collaboration as a priority in the BoB. A major mention of the blue economy was made in the October 2016 Goa outcome document.¹⁴ The region's leaders emphasised the importance of the blue economy and agreed to work together in this area for the region's sustainable development during the 4th BIMSTEC Summit, which took place in Kathmandu on 01 September 2018.¹⁵ The directive for ministers, officials, and the secretariat to guarantee the "prompt implementation" of its mandates, especially those pertaining to the blue economy, was strongly reiterated at the 5th Summit, held in Colombo in

¹⁰ "Dhaka Declaration on Blue Economy," IORA, 2019, accessed January 16, 2025, https://iora-sa.saeon.ac.za/wp-content/uploads/2022/06/Dhaka-Declaration_Sept-2019.pdf.

¹¹ Indian Ocean Rim Association (IORA), *Second IORA Action Plan 2022-2027* (Indian Ocean Rim Association Secretariat, 2022), 7.

¹² "The ASEAN Blue Economy Framework," ASEAN, 2023, accessed January 05, 2025, <https://asean.org/wp-content/uploads/2023/09/ASEAN-Blue-Economy-Framework.pdf>.

¹³ The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional organisation of seven South Asian and Southeast Asian nations namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand which was established in 1997.

¹⁴ "BIMSTEC Leaders' Retreat Outcome Document and 16-Point Agenda of Action, Goa, India, October 16, 2016," BIMSTEC, accessed January 15, 2025, https://bimstec.org/images/content_page_pdf/1696678009_BIMSTEC%20Leaders'%20Retreat%202016%20Outcome%20Document%20and%2016-Point%20Agenda%20of%20Action.pdf.

¹⁵ "Fourth BIMSTEC Summit Declaration, Kathmandu, Nepal, August 30-31, 2018," BIMSTEC, accessed January 19, 2025, https://bimstec.org/images/content_page_pdf/1696677849_Fourth%20BIMSTEC%20Summit%20Declaration_30082018.pdf.

2022.¹⁶ The inclusion of the blue economy as a sub-sector of the “Trade, Investment, and Development Sector of BIMSTEC,” headed by Bangladesh, was approved at the 19th BIMSTEC Ministerial Meeting on 09 March 2023.¹⁷ Member states were urged to select delegates for the Inter-Governmental Expert Committee that Bangladesh proposed to establish to develop an Action Plan on the Blue Economy.¹⁸ On the occasion of the 10th Anniversary of the establishment of the BIMSTEC Secretariat, Md Touhid Hossain, Foreign Adviser of Bangladesh, emphasised Bangladesh’s commitment to BIMSTEC and its leadership in the blue economy, expressing confidence in the timely implementation of a plan of action for regional growth.¹⁹

There is an increasing number of studies highlighting the significance of BIMSTEC in implementing the BoB’s blue economy. Sakhuja and Banerjee²⁰, Saran,²¹ Mohan²² and Xavier²³ argued that BIMSTEC has the potential to grow into a dynamic organisation and the blue economy policy initiative among others, is the most effective way to unite the BoB community. Ganeshan²⁴ in this regard, emphasised how the BIMSTEC Blue Economy Agenda has become a priority topic and highlighted on the potential sustainable development elements that the agenda might focus on over the next ten years. According to Bhatia²⁵, BIMSTEC must maintain the momentum of earlier initiatives to strengthen economic cooperation while simultaneously being creative to realise its promise in more recent fields such

¹⁶ “Fifth BIMSTEC Summit Declaration, Colombo, Sri Lanka, 30 March 2022,” BIMSTEC, accessed January 18, 2025, [https://bimstec.org/images/content_page_pdf/1696677722_Fifth%20BIMSTEC%20Summit%20Declaration%20\(1\).pdf](https://bimstec.org/images/content_page_pdf/1696677722_Fifth%20BIMSTEC%20Summit%20Declaration%20(1).pdf).

¹⁷ “Joint Statement of the Nineteenth BIMSTEC Ministerial Meeting, Bangkok, Thailand, March 09, 2023,” BIMSTEC, accessed January 11, 2025, [https://bimstec.org/images/content_page_pdf/1697873497_Joint%20Statement%20of%20the%2019th%20BIMSTEC%20Ministerial%20Meeting_09032023%20\(1\).pdf](https://bimstec.org/images/content_page_pdf/1697873497_Joint%20Statement%20of%20the%2019th%20BIMSTEC%20Ministerial%20Meeting_09032023%20(1).pdf).

¹⁸ “Trade, Investment and Development,” BIMSTEC, accessed January 21, 2025, <https://bimstec.org/trade-investment-and-development>.

¹⁹ “Remarks by the Chief Guest, H E Mr Md Touhid Hossain, Hon’ble Adviser, Ministry of Foreign Affairs, Interim Government of Bangladesh, September 13, 2024,” accessed January 15, 2025, https://drive.google.com/file/d/1AFw-TYcgH8_VnFT6MGpr8XtHG71mt8CJ/view.

²⁰ Vijay Sakhuja and Somen Banerjee, *Sea of Collective Destiny: Bay of Bengal and BIMSTEC* (New Delhi: Pentagon Press, 2020).

²¹ Samir Saran, “BIMSTEC and Global Governance,” in *BIMSTEC and the Road Ahead* (New Delhi: RIS, 2016), 32.

²² N Chandra Mohan, “BIMSTEC: An Idea Whose Time has Come,” ORF Issue Brief, no. 164 (2016), accessed January 15, 2025, <https://www.orfonline.org/wp-content/uploads/2016/11/ORF-Issue-brief-164-Bimstec.pdf>.

²³ Constantino Xavier, “Bridging the Bay of Bengal: Towards a Stronger BIMSTEC,” Carnegie Endowment for International Peace, 2018, accessed January 07, 2025, https://carnegie-production-assets.s3.amazonaws.com/static/files/CP_325_Xavier_Bay_of_Bengal_Brief.pdf.

²⁴ Swati Ganeshan, “Role of Sustainable Development in BIMSTEC Maritime Security and Blue Economy Framework,” in *New Futures for BIMSTEC: Connectivity, Commerce and Security*, eds. Adluri Subramanyam Raju and Anasua Basu Ray Chaudhury (New Delhi: Routledge, 2021).

²⁵ Rajiv Bhatia, “Incorporating the Blue Economy into BIMSTEC Agenda,” India Foundation, accessed January 17, 2025, <https://indiafoundation.in/articles-and-commentaries/incorporating-the-blue-economy-into-bimstec-agenda/>.

as blue economy. Gupta and Banerjee²⁶ discussed how BIMSTEC can be used as a framework for the implementation of blue economy in the BoB.

Despite increasing recognition of the importance of sustainable blue economy initiatives in the BOB region, there remains a notable research gap concerning the specific role of BIMSTEC in advancing such efforts. The existing literature has predominantly focused on strategies and sector-specific challenges of the individual member states. Nevertheless, extensive research is lacking that specifically examines the variations and parallels that one finds in the blue economy policies of BIMSTEC member countries. Also, there exists a significant research gap exists especially on examining the analysis of current trends of the blue economy, BIMSTEC's limitations, and its potential in promoting a sustainable blue economy in the BoB. There is a necessity to provide concrete suggestions on how BIMSTEC can attain a sustainable BoB blue economy. Hence, the paper attempts to fill these knowledge gaps. Additionally, Bangladesh as the upcoming Chairman and lead nation of the Blue Economy sub-sector in the BIMSTEC, there is a need to explore the role of BIMSTEC in advancing toward a sustainable blue economy in the BoB region from Bangladesh's perspective. In light of this, the study poses the following research questions: What are the prevailing trends of blue economy in the BIMSTEC member countries? What obstacles must BIMSTEC overcome to achieve a sustainable blue economy in the BoB? How can BIMSTEC play a role in attaining a sustainable BoB blue economy?

The methodology for analysing the blue economy policies of BIMSTEC member countries combined qualitative content analysis with key informant interviews (KIIs) and secondary data. Initially, specific blue economy government policy documents and acts (see Annex 1) from each member country were collected and imported into NVIVO11 software for word frequency analysis, identifying prevalent themes and terms. Additionally, a text search function was used to locate specific themes and terms (see Annex 2). Besides, country-specific initiatives were analysed through the lens of four dominant discourses—oceans as natural capital, livelihoods, good business, and a driver of innovations—developed by Michelle Voyer et al (see Table 1). Annex 3 provides a table summarising the related blue economy regulations and policies of BIMSTEC member countries, categorised by key sectors. In addition, KIIs with policymakers and academics from BIMSTEC member countries provided qualitative insights, enriching the understanding of the NVIVO analysis. The methodology also incorporated secondary data sources, such as reports, academic

²⁶ Arvind Gupta and Somen Banerjee, "Securitisation of BIMSTEC can Protect the Blue Economy of Bay of Bengal," Vivekananda International Foundation (VIF), April 15, 2018, <https://www.vifindia.org/article/2018/april/15/securitization-of-bimstec-can-protect-the-blue-economy-of-bay-of-bengal>.

articles, and government publications, to complement the analysis and provide additional context for understanding blue economy initiatives across BIMSTEC member countries. The limitations of the study include the reliance on available policy documents, which may not fully capture recent or informal blue economy initiatives of BIMSTEC member countries. Additionally, in the NVIVO11 analysis policy documents from Nepal and Bhutan were excluded, as neither country has a specific blue economy government policy. To address this gap, the study examined alternative policy frameworks in Nepal and Bhutan that pertain to water resource management, environmental protection, and sustainable development.

The paper is divided into seven sections. After the introduction, section two offers a conceptual understanding of the blue economy, discussing various lenses that inform its definition and implications for policy formulation. Section three examines current trends in blue economy policies among BIMSTEC member states by analysing national initiatives through the four prevailing narratives identified by Michelle Voyer et al.: oceans as natural capital, livelihoods, good business, and innovation. Section four explores the shared themes and divergences in policy emphasis across member countries, by identifying common goals while highlighting differing priorities. In section five, key obstacles to achieving a sustainable blue economy within BIMSTEC are identified. Section six presents policy options to address these challenges, offering recommendations for enhanced blue economy cooperation. Finally, section seven concludes the paper.

2. Conceptual Understanding

The term “blue economy” is viewed as ambiguous and subject to several interpretations. The concept of blue economy emerged from the 1992 Rio Earth Summit’s focus on a “green economy” and gained widespread attention following the 2012 UN Conference on Sustainable Development (Rio+20).²⁷ In response to a worldwide push for a “green economy,” the Small Island Developing States (SIDS) began to promote the concept of blue economy and emphasise the importance of the ocean and marine industries. Since then, blue economy has attracted attention from all across the world, although a consensus definition has not yet been reached. At the initial stage, however, this new phrase was frequently employed in an ambiguous manner to refer interchangeably to the “ocean economy” or the “marine economy.” Despite the fact that the phrases “blue economy” and “ocean economy” are frequently

²⁷ United Nations Environment Programme (UNEP), *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication* (Nairobi: UNEP, 2011), 16, https://sustainabledevelopment.un.org/content/documents/126GER_synthesis_en.pdf.

used interchangeably, they are distinct and differ significantly. While the blue economy concentrates on sustainable ocean economies, the term—ocean economy—is viewed as an economic activity that employs the ocean as an input.²⁸

In 2014, the United Nations (UN) developed a comprehensive definition of the term blue economy. The UN defines the as “a marine-based economic development that leads to the improvement of human well-being and social equity, while significantly reducing environmental risks and ecological scarcities”.²⁹ According to the World Bank, “blue economy seeks to promote economic growth, social inclusion, and the preservation or improvement of livelihoods while at the same time ensuring environmental sustainability of the oceans and coastal areas.”³⁰ The Economist, in a Report titled ‘The Blue Economy: Growth, Opportunity and a Sustainable Ocean Economy’, states “A sustainable ocean economy emerges when economic activity is in balance with the long-term capacity of ocean ecosystems to support this activity and remain resilient and healthy.”³¹ According to the European Union (EU), “The blue economy includes all sectoral and cross-sectoral economic activities based on or related to the oceans, seas, and coasts.”³²

Therefore, the blue economy can be summed up as economic activity that is centred around the ocean which promotes social inclusion, economic growth, and environmental sustainability. The fundamental idea of the approach is the separation of environmental degradation from socioeconomic progress. Creating wealth from ocean-related industries while preserving and bolstering marine ecosystems has come to be associated with it.

2.1 Blue Economy Lenses

Regarding the blue economy debate, four lenses are found in the existing literature.³³ It includes oceans as natural capital, oceans as livelihoods, oceans as good

²⁸ Michelle Voyer et al., *The Blue Economy in Australia* (Canberra, Australia: Sea Power Centre, 2017), 12–13.

²⁹ United Nations Conference on Trade and Development (UNCTAD), *The Oceans Economy: Opportunities and Challenges for Small Island Developing States* (New York and Geneva: United Nations, 2014), 2.

³⁰ World Bank, *The Potential of the Blue Economy: Increasing Long-term Benefits of the Sustainable Use of Marine Resources for Small Island Developing States and Coastal Least Developed Countries* (Washington DC: World Bank, 2017), 6.

³¹ “The Blue Economy: Growth, Opportunity and a Sustainable Ocean Economy,” The Economist Intelligence Unit, accessed January 11, 2025, <https://www.greenpolicyplatform.org/research/blue-economy-growth-opportunity-and-sustainable-ocean-economy>.

³² European Commission, *The E.U. Blue Economy Report* (Luxembourg: European Union, 2020), https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/2020_06_blueeconomy-2020-1d_final.pdf.

³³ Jennifer J. Silver, Noella Gray, Lisa Campbell, Luke Fairbanks and Rebecca Gruby, “Blue Economy and Competing Discourses in International Oceans Governance,” *Journal of Environment & Development* 24, no. 2 (2015): 135–160; M. Voyer, G. Quirk, A. McIlgorm and K. Azmi, “Shades of Blue: What Do Competing Interpretations of the Blue Economy Mean for Ocean Governance?” *Journal of Environmental Policy and Planning* 20, no. 5 (2018): 595–616.

business, and oceans as drivers of innovation (see Table 1). NGOs and conservation organisations prioritise ecosystem-based management and Marine Protected Areas (MPA). Furthermore, the development of the blue economy places a strong emphasis on carbon-intensive industries. Oceans are therefore viewed as natural capital, and conservation is the main concern in this regard.

Table 1: Different Lenses of Blue Economy³⁴

	Oceans as Natural Capital	Oceans as Livelihoods	Oceans as Good Business	Oceans as a Driver of Innovation
Primary Objectives	Ecosystem protection and restoration	Poverty alleviation and food security	Economic growth and employment	Technological or technical advances
Actors	Conservation agencies/ NGOs	Development agencies, SIDS	Industry, larger global economies	Academic institutes and governments
Sectors	Oil and gas are examples of carbon-intensive industries that are not included. It emphasises the financial gains from conservation (such as ecotourism, ecological service payments, blue carbon, etc.).	Provide special attention to small-scale fisheries (SSF), and ecotourism with diversification goals.	All industries are covered, although the main emphasis is on big, multinational companies and industries (such as shipping, oil and gas, renewables, etc.).	All areas, especially growing ones such as renewable energy, biotechnology , and deep-sea mining

³⁴ Adapted from Voyer et al., *The Blue Economy in Australia*, 20.

Tools	Marine Protected Areas (MPA), ecosystem-based management (EBM), valuation of ecosystem services, biodiversity conservation	Community manages fisheries, Marine Spatial Planning (MSP), Ecosystem-based management (EBM), valuation of ecosystem services	MSP, economic valuation studies, targeted investment and growth strategies	Innovation hubs/ research institutes, investment/ financing strategies.
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According to the “oceans as livelihood” perspective, development organisations and developing nations endorse the notion that the blue economy plays a significant role in the livelihoods of coastal inhabitants. It places attaining human well-being and subsistence at the forefront of the blue economy, with a focus on poverty alleviation. In this regard, the blue economy provides developing countries (particularly SIDS) with a framework to diversify their economies into new and expanding sectors and bolster their resilience to external shocks. As a result, SIDS in the Caribbean, Indian, and Pacific oceans have led the way in interpreting the blue economy. According to this perspective, the UN Sustainable Development Goals (SDGs) and the blue economy are closely related.

However, larger economies, organisations (including the EU and Organisation for Economic Co-operation and Development (OECD)), industries, and business associations favour a growth-centric view of the blue economy, which is highlighted by the “oceans as good business” viewpoint. According to this interpretation, the main objective is to utilise the blue economy to generate employment and economic growth. In order to pursue this, high-value, international industries such as shipping, large-scale fishing, and oil and gas are essential. Lastly, innovation is the main element of the “oceans as drivers of innovation” perspective. Collaborations, investments, and innovation between the public and private sectors are believed to be the main forces behind this lens.

2.2 Sustainability and the Blue Economy

The terms—Blue economy and sustainable development—are closely intertwined concepts. The existing studies identify that sustainability within the

context of blue economy relates to various dimensions.³⁵ It focuses on harnessing the potential of ocean resources to achieve economic growth, social inclusion, and environmental sustainability. The blue economy encompasses various economic activities linked to the ocean, such as biotechnology, shipping, tourism, aquaculture, renewable energy, and fisheries. Sustainable development aims to promote economic growth that is inclusive, equitable, and environmentally sustainable. By adopting sustainable practices in blue economy sectors, countries can stimulate economic growth while preserving ocean resources for future generations.

Sustainable development also emphasises the significance of social inclusion, ensuring that economic benefits are shared equitably among all segments of society, including the marginalised and vulnerable groups. This entails providing chances for small-scale fishermen, indigenous peoples, and coastal communities to engage in and make a profit from ocean-related activities while upholding their rights and traditional knowledge within the framework of the blue economy. Furthermore, environmental sustainability is central to both concepts of blue economy and sustainable development, which entails maintaining the health, resilience, and productivity of marine ecosystems. Sustainable development seeks to balance economic growth with the conservation of natural resources and the protection of biodiversity. In the context of blue economy, this involves promoting sustainable fisheries and aquaculture practices, minimising pollution and habitat degradation, and mitigating the impacts of climate change on marine ecosystems.

3. Current Trends and Developments: Blue Economy Policies in BIMSTEC Member States

It is observed that several BIMSTEC member states are allocating significant financial, technological, and human resources to cultivate the blue economy, recognising the substantial economic opportunities presented by oceans and seas. This section analyses the national blue economy initiatives considering the four prevailing narratives that Michelle Voyer et al. developed: (i) the oceans as natural capital, (ii) the oceans as livelihoods, (iii) the oceans as good business, and (iv) the oceans as innovation.

³⁵ Smith-Godfrey, "Defining the Blue Economy," *Maritime Affairs* 12, no. 1 (2016): 58–64, doi:10.1080/09733159.2016.1175131; M. R. Keen, A. Schwarz and L. Wini-Simeon, "Towards Defining the Blue Economy: Practical lessons from Pacific Ocean Governance," *Marine Policy* 88, (2018): 333–341, doi:10.1016/j.marpol.2017.03.002; Emmanuel Owusu-Sekyere, "Achieving Sustainability in the Context of the Blue Economy," in *The Blue Economy Handbook of the Indian Ocean Region*, eds. Vishva Nath Attri and Narnia Bohler-Muller (Pretoria: African Institute of South Africa, 2018), 81–97; Nathan J. Bennett et al., "Towards a Sustainable and Equitable Blue Economy," *Nature Sustainability* 2, no.11 (2019): 991–93.

3.1 Bangladesh

The blue economy in Bangladesh revolves around its immense marine and coastal resources and their sustainable utilisation. The maritime domain of Bangladesh covers around 118,813 sq. km, which includes rich biodiversity, fisheries, and potential energy resources.³⁶ Three sectors make up the majority of its blue economy: marine fisheries and aquaculture (22%), maritime transportation (22%), and tourism and recreation (25%).³⁷ However, the blue economy covers a wide range of sectors such as renewable energy, shipbuilding, ship breaking, marine biotechnology and others that contributes to the economy. These sectors provide significant opportunities for poverty alleviation, and job creation, particularly in coastal regions. An estimated 30 million people in Bangladesh are dependent on the ocean economy, with 17 million working in fisheries and aquaculture and the ocean economy's gross value added to Bangladesh in 2014–15 was US\$ 6,192.98 million, or roughly 3.33 per cent of the country's economy.³⁸

Bangladesh's blue economy policy framework focuses primarily on enhancing marine resource management, promoting marine-based industries, and building capacity for ocean governance. Nine distinct sectors—marine fisheries, mariculture, commercial shipping, marine tourism, offshore energy, renewable energy and biotechnologies, mangrove ecosystem services, shipbuilding and recycling industry, marine pollution, and MSP—are identified in the “Blue Economy Development Workplan” (2019), along with a future action plan to implement those by 2030.³⁹ The Bangladesh Delta Plan 2100 integrates blue economy principles, aiming to address climate change and disaster resilience while utilising marine resources.⁴⁰ One notable measure is the Territorial Waters and Maritime Zones Amendment Act (2021), which plays a crucial role in defining the governance of the country's maritime jurisdiction.⁴¹ There are also efforts to expand coastal and marine tourism, recognising its potential for creating jobs and boosting the economy.

³⁶ Rear Admiral Md. Khurshed Alam, “Keynote Address” (Keynote Speech delivered at International Workshop on the Blue Economy, Dhaka, September 01, 2014).

³⁷ Pawan G Patil, John Virdin, Charles S. Colgan, M. G. Hussain, Pierre Failler and Tibor Vegh, *Toward a blue economy: a pathway for Bangladesh's sustainable growth* (Washington, D.C.: The World Bank Group, 2018), 45.

³⁸ Patil et al., *Toward a Blue Economy*, 48.

³⁹ Maritime Affairs Unit Bangladesh, *Blue Economy Development Work Plan, 2019* (Dhaka: MoFA, 2019), <https://mofa.gov.bd/site/page/ab254318-8f4a-423c-a3ef-733b80f28014/Blue-Economy-Development-Work-Plan>.

⁴⁰ General Economics Division, Bangladesh Planning Commission, *Bangladesh Delta Plan 2100: Bangladesh in the 21st Century* (Dhaka: Government of the People's Republic of Bangladesh, 2018).

⁴¹ Government of Bangladesh, *The Territorial Waters and Maritime Zones Amendment Act, 2021* (Dhaka: Government of the Peoples' Republic of Bangladesh, 2021).

An analysis of key blue economy documents, such as the “Blue Economy Development Workplan (2019)” and the “Territorial Waters and Maritime Zones Amendment Act (2021)”, reveals recurring themes of sustainability, MSP, and environmental protection. Terms such as “sustainability” (22) and “marine pollution” (26) show a strong emphasis largely on protecting marine ecosystems. Bangladesh has adopted several key policies and regulations to promote the sustainable use of its marine resources, addressing both maritime security and blue economy concerns. To strengthen the legal foundation for maritime administration, the Territorial Waters and Maritime Zones Amendment Act (2021), for example, designates marine pollution, piracy, armed robbery and maritime terrorism as crimes.⁴² Complementing these efforts, the Marine Fisheries Act (2020)⁴³ regulates fishing practices to preserve marine biodiversity while the National Plan of Action for IUU Fishing (2019) combats illegal fishing activities.⁴⁴ The Ship Recycle Act (2018) has also been amended to ensure environmentally safe and secure ship recycling processes.⁴⁵

The focus on MSP (12) and MPA (12) highlights Bangladesh’s efforts to balance economic benefits with ecological conservation. Bangladesh is prioritising biodiversity conservation through initiatives such as the creation of protected areas. Currently, MPA encompasses 8.8 per cent of Bangladesh’s Exclusive Economic Zone (EEZ), contributing to marine conservation efforts.⁴⁶ Additionally, Bangladesh is developing MSP to sustainably manage its marine resources and balance economic development with environmental conservation. In addition, the Marine Fisheries Policy (2022) supports sustainable aquaculture and marine fisheries, reflecting the prioritisation of biodiversity conservation and sustainable resource use.⁴⁷ Although certain terms such as “growth” and “business” appear less frequently (each mentioned

⁴² Articles 22 and 23 stipulate that offenses related to marine pollution, including failure to prevent pollution or causing environmental harm, may lead to imprisonment of up to five years, fines ranging from BDT 2-10 crore, or both, depending on the nature of the violation. Besides, according to Article 24 of the Territorial Waters and Maritime Zones Amendment Act (2021)”, punishment for piracy, armed robbery, and maritime terrorism includes life imprisonment for piracy and maritime terrorism, up to 14 years for aiding or abetting, and up to 10 years for armed robbery, with additional fines or forfeiture of property.

⁴³ Government of Bangladesh, *Marine Fisheries Act, 2020* (Dhaka: Government of Bangladesh, 2020), <http://bdlaws.minlaw.gov.bd/act-print-1347.html>.

⁴⁴ Department of Fisheries, Bangladesh, *National Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated (IUU) Fishing in Bangladesh 2019* (Dhaka: Department of Fisheries, Bangladesh, 2019), <https://faolex.fao.org/docs/pdf/bgd214075.pdf>.

⁴⁵ Government of the People’s Republic of Bangladesh, *Bangladesh Ship Recycling Act 2018* (Dhaka: Ministry of Law, Justice and Parliamentary Affairs, 2018), <http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/106422/130547/F1140529959/BGD106422%20Bgd.pdf>

⁴⁶ “Bangladesh reaffirms commitment to achieve SDG-14 at UN Ocean Conference,” Ministry of Foreign Affairs, Bangladesh, accessed January 12, 2025, https://mofa.portal.gov.bd/site/press_release/fbae85d1-ac94-4261-afa5-0318c92dfde8.

⁴⁷ Government of Bangladesh, *Marine Fisheries Extraction Policy* (Dhaka: Ministry of Fisheries, 2022), https://fisheries.gov.bd/sites/default/files/files/fisheries.portal.gov.bd/law/d8fe1c24_edaf_404f_b71a_19daf82934c1/2022-11-27-05-51-3a0de8cc22ab4b6f9039657a4bf38ff.pdf.

only once), the documents prioritise job creation (“employment,” 3 mentions) and livelihood support (9 mentions), underscoring the socio-economic dimensions of the blue economy. Regarding ecosystem services valuation, policy documents have highlighted the importance of mangroves, prioritised their ecosystem services while acknowledging the complexities and costs of valuation.⁴⁸ Overall, Bangladesh’s dual focus on “oceans as livelihood” and “oceans as natural capital” highlights the commitment to leveraging marine resources for economic growth while preserving ecological integrity, ensuring long-term resilience and sustainability.

3.2 India

India, with a coastline stretching 7,500 km and an EEZ covering approximately 2.37 million sq. km, has significant potential for developing its blue economy.⁴⁹ Key sectors include fisheries, aquaculture, maritime transport, shipbuilding, coastal tourism, offshore energy, and marine biotechnology. India’s blue economy is estimated to account for about 4 per cent of the nation’s GDP.⁵⁰ India has demonstrated a significant growth agenda in regard to the blue economy. The Sagarmala Project, which was started in 2015 by the Ministry of Shipping and centres on port-led development, is the main component of India’s blue economy strategy. The project’s four main pillars are coastal community development, port-led industrialisation, port connectivity, and port modernisation and capacity augmentation.⁵¹ Furthermore, the Government of India’s “Vision of New India by 2030,” articulated in February 2019, emphasised the blue economy as one of the ten fundamental aspects of economic development.⁵²

Nonetheless, a pivotal advancement in the development of India’s blue economy policy occurred with the publication of India’s Blue Economy: The Draft Policy Framework by the Economic Advisory Council to the Prime Minister (EAC-PM) in September 2020 which defines blue economy as “an emerging concept comprising the entire ecosystem of ocean resources, including marine, maritime, and onshore

⁴⁸ Maritime Affairs Unit Bangladesh, *Blue Economy Development Work Plan, 2019* (Dhaka: Ministry of Foreign Affairs, 2019), <https://mofa.gov.bd/site/page/ab254318-8f4a-423c-a3ef-733b80f28014/Blue-Economy-Development-Work-Plan>.

⁴⁹ Rajeev Rajan Chaturvedy, “Mapping India’s Blue Economy in the Bay of Bengal: Opportunities and Constraints,” *Journal of the Indian Ocean Region* 18, issue. 2 (2022): 99–115, <https://doi.org/10.1080/19480881.2022.2118196>.

⁵⁰ Swati Ganeshan, *Blue Economy: India’s Pathway to Sustainable, Secure and Resilient Economy* (New Delhi: The Energy and Resources Institute, 2022), 4.

⁵¹ Ministry of Ports, Shipping and Waterways, Government of India, *Final Report for Sagarmala (Vol. I)* (New Delhi: Ministry of Shipping, Indian Ports Association, 2016), https://sagarmala.gov.in/sites/default/files/20161222_Sagarmala_final%20report_volume%2001_0_0.pdf.

⁵² “Government Unveils Vision for the Next Decade,” February 01, 2019, Press Information Bureau, Government of India, Ministry of Finance, accessed January 17, 2025, <https://pib.gov.in/newsite/PrintRelease.aspx?relid=187925>.

coastal economic sub-systems within India's legal jurisdiction, with close linkages to economic growth, environmental sustainability, and national security."⁵³ To build a strong blue economy, the policy framework identifies seven priority areas subsequently: the national accounting framework for blue economy; coastal MSP and tourism; marine fisheries, aquaculture, and fish processing; manufacturing, emerging industries, trade, technology, services, and skill development; logistics, infrastructure, and shipping (including transshipments); coastal and deep-sea mining and offshore energy and finally, security, strategic engagement, and international cooperation.⁵⁴

India's blue economy strategy places a significant emphasis on port-led economic development, as indicated by the high frequency of terms such as "growth" (75) and "business" (18), reflecting its focus on economic expansion and trade through coastal industries such as shipbuilding, logistics, and fisheries. This economic drive is further supported by a robust infrastructural strategy that includes port modernisation, enhancing connectivity, and promoting regional trade hubs, all central to India's blue economy narrative. Besides, the high frequency of "security" (94) and "technology" (43) underscores India's strategic focus on strengthening maritime infrastructure, ensuring national security, and enhancing naval capabilities in the Indian Ocean region. Indian strategic thinkers have emphasised the critical nexus between maritime power and the blue economy, positing that the two concepts are not only interconnected but also mutually reinforcing.⁵⁵ This is evident through initiatives like the development of advanced maritime surveillance systems, deployment of Coastal Radar Networks, and commissioning of naval assets.

However, the emphasis on economic growth contrasts with the relatively limited attention given to environmental sustainability, as reflected by the lower frequency of terms such as "environment protection" (9) and "marine pollution" (6). Although India's coastal development policies acknowledge the importance of pollution control, there is a lack of large-scale and concerted efforts to address critical environmental issues such as marine plastic waste or industrial runoff.⁵⁶

Furthermore, the absence of terms such as "MPA" (0) and the minimal reference to "ecosystem" (2) highlight the limited focus on marine conservation within the blue

⁵³ Economic Advisory Council to the Prime Minister, Government of India, *India's Blue Economy: A Draft Policy Framework* (New Delhi: Economic Advisory Council to the Prime Minister Government of India, 2020), 12-13, https://incois.gov.in/documents/Blue_Economy_policy.pdf.

⁵⁴ Economic Advisory Council, *India's Blue Economy*, 13.

⁵⁵ Somen Banerjee, *Maritime Power through Blue Economy in the Indian Context* (New Delhi: Vivekananda International Foundation, 2018).

⁵⁶ Purunjai Tewari, "Marine Pollution in India and Its Laws," Legal Service India, accessed January 09, 2025, <https://www.legalserviceindia.com/legal/article-3982-marine-pollution-in-india-and-its-laws.html>.

economy framework. While India has 130 MPAs in its territorial waters, none are located within its EEZ,⁵⁷ marking a significant gap in marine conservation efforts. Besides, for blue economy tools, MSP (12) and Valuation studies (6) are highlighted, reflecting efforts to introduce structured planning mechanisms and economic valuation of marine resources. For instance, India's blue economy valuation studies are supported by initiatives like the Ministry of External Affairs-backed Research and Information System for Developing Countries (RIS) research programme (2015) and the Federation of Indian Chambers of Commerce & Industry (FICCI)'s "Blue Economy Vision 2025" document, focusing on measuring and implementing the concept while harnessing business potential domestically and internationally.⁵⁸ Thus, India's blue economy primarily appears to prioritise economic growth over ecological sustainability, aligning more with the perspective of "oceans as good business" rather than integrating robust conservation strategies.

3.3 Myanmar

Myanmar's blue economy holds significant potential due to its extensive coastline of approximately 3000 km along the Andaman Sea and the BoB.⁵⁹ Key sectors contributing to Myanmar's blue economy include fisheries, aquaculture, marine transportation, coastal tourism, and offshore energy. Myanmar's blue economy is estimated to contribute approximately 3.5 per cent to the nation's GDP.⁶⁰ Myanmar's approach to blue economy has its foundation in its prior dedication to fulfilling the SDGs by 2030, especially through the Myanmar Sustainable Development Plan (2018–2030), which integrates blue economy objectives by balancing resource use with economic growth, environmental protection, and social equity.⁶¹

Myanmar's approach to the blue economy can be analysed through the dual lenses of "ocean as livelihood" and "ocean as natural capital," focusing mainly on

⁵⁷ Eklavya Tiwary and Dr Pushp Bajaj, "Decoding Marine Protected Areas in India Part I: Understanding the Legal and Policy Frameworks," National Maritime Foundation, accessed January 05, 2025, https://maritimeindia.org/decoding-marine-protected-areas-in-india-part-i-understanding-the-legal-and-policy-frameworks/#_ftn21.

⁵⁸ Federation of Indian Chambers of Commerce and Industry (FICCI), *Blue Economy Vision 2025: Harnessing Business Potential for India Inc and International Partners* (New Delhi, India: FICCI, 2017); "IORA Blue Economy Dialogue: Goa Declaration," August 17-18, 2015, Ministry of External Affairs, Government of India and Research and Information System for developing countries (RIS), accessed January 05, 2025, <https://www.ris.org.in/sites/default/files/Publication/Goa%20Declaration.pdf>.

⁵⁹ Zaw Oo and Ngu Wah Win, "Blue Economy in Myanmar," Policy Brief, No. 2023-14, January 2024, Economic Research Institute for ASEAN and East Asia (ERIA), accessed January 11, 2025, <https://www.eria.org/uploads/Blue-Economy-in-Myanmar.pdf>.

⁶⁰ Juneja, Souza, Gririyan and Ganeshan, *Contextualising Blue Economy*, 19.

⁶¹ Government of Myanmar, *Myanmar Sustainable Development Plan (MSDP), 2018–2030* (Naypyidaw: Myanmar National Gazette, 2018).

leveraging marine resources for poverty alleviation while addressing environmental sustainability challenges. The word frequency analysis of Myanmar's key blue economy policy documents reveals a strong focus on sustainability, with the term mentioned 49 times, indicating the country's strong focus on balancing economic development with environmental conservation. Notable policy efforts include the 2016 "Myanmar's National Action Plan for Agriculture (NAPA) Working Paper 6: Coastal Resources Management", which outlined strategies for the sustainable management and conservation of coastal and marine resources to support agricultural development and environmental protection.⁶² Key recommendations include establishing an Integrated Coastal Management Authority, restoring degraded mangroves through Ecological Mangrove Restoration and promoting community fisheries management. Additionally, the plan underscores the need for conducting natural resource mapping and economic valuation of marine ecosystems with active participation from local communities.⁶³

Furthering these efforts, the Coastal Resources Management Central Committee, established in 2016, plays a critical role in managing and conserving marine resources.⁶⁴ Among its initiatives are the drafting of an Integrated Coastal Management (ICM) framework, designated no-fishing zones in biodiversity hotspots and organising awareness campaigns to combat coastal pollution.⁶⁵ In 2021, the State Administration Council established national and working committees to develop a national strategy and action plan for the blue economy.⁶⁶ The prominence of the term "livelihood" appears 20 times, underscoring the critical role ocean resources play in supporting coastal communities. Besides, economic terms such as "business" (13) and "employment" (11) are also present, reflecting Myanmar's efforts to create jobs and manage its marine resources effectively. However, the absence of terms such as "growth" (0) and "technology" (0) suggests a limited emphasis on technological innovation or rapid economic expansion. Additionally, the focus on MSP (12) and MPA (7) underscores Myanmar's commitment to conserving marine ecosystems while ensuring sustainable livelihoods for its coastal populations.

⁶² Ministry of Agriculture, Livestock and Irrigation, Myanmar, *National Action Plan for Agriculture (NAPA) Working Paper 6: Coastal Resources Management* (Yangon: Ministry of Agriculture, Livestock and Irrigation, 2016).

⁶³ Ministry of Agriculture, Livestock and Irrigation, Myanmar, *National Action Plan*.

⁶⁴ Interview with a senior official from the Myanmar Coast Guard, May 2024.

⁶⁵ "Coastal Resources Management Central Committee holds 5th meeting," *The Global New Light of Myanmar*, June 25, 2024, <https://www.gnlm.com.mm/coastal-resources-management-central-committee-holds-5th-meeting/>.

⁶⁶ Government of Myanmar, *Coastal Resources Management Central Committee* (Naypyidaw: Myanmar National Gazette, 2021).

3.4 Sri Lanka

Sri Lanka's blue economy is shaped by its key position in the Indian Ocean and its reliance on ocean resources for both economic growth and environmental sustainability. Principal sectors contributing to the blue economy encompass fisheries, marine transportation, tourism, and emerging industries like marine biotechnology and offshore energy. Although the country does not have specific blue economy policies, however, it has developed several regulations and policies that aim to harness its marine resources while promoting sustainable development. A prominent example is the Sri Lanka Coastal Zone and Coastal Resource Management Plan⁶⁷, which plays a central role in preserving marine ecosystems and promoting sustainable coastal livelihoods. This plan focuses predominantly on managing resources, mitigating marine pollution, and improving coastal resilience, particularly in light of climate change impacts.

Word frequency analysis of Sri Lanka's blue economy documents, particularly the Sri Lanka Coastal Zone and Coastal Resource Management Plan, reveals key areas of focus. "conservation" (206), "eco-system" (153) and "sustainability" (75) are dominant keywords, underscoring the emphasis on balancing development with ecological preservation. "livelihood" (28) and "marine pollution" (39) show a significant focus on addressing both economic reliance on the ocean and the growing threats to marine environments. The Marine Pollution Prevention Act (2008)⁶⁸, Marine Environment Protection (Waste Reception Facilities) Regulations (2016),⁶⁹ and Offshore Exploration for and Exploitation of Natural Resources including Petroleum (Marine Environment Protection) Regulation No. 1 of 2011⁷⁰ are foundational regulations that guide the sustainable use of marine resources. These policies aim to support the livelihoods of coastal communities while ensuring that ecosystems remain resilient. Moreover, Sri Lanka's National Fisheries Policy⁷¹ and

⁶⁷ Sri Lanka Coast Conservation and Coastal Resource Management Department, *Sri Lanka Coastal Zone and Coastal Resource Management Plan 2024-2029* (Colombo: Sri Lanka Coast Conservation and Coastal Resource Management Department, 2024), https://www.coastal.gov.lk/images/pdf/CZMP_24-29/CZCRMP_2024_PC_ENG.pdf.

⁶⁸ Government of Sri Lanka, *Marine Pollution Prevention Act* (Colombo: Government of Sri Lanka, 2008), <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC161921>.

⁶⁹ Government of Sri Lanka, *Marine Environment Protection (Waste Reception Facilities) Regulations* (Colombo: Government of Sri Lanka, 2016), <https://faolex.fao.org/docs/pdf/srl161922.pdf>.

⁷⁰ Government of Sri Lanka, *Offshore Exploration for and Exploitation of Natural Resources including Petroleum (Marine Environment Protection) Regulation No. 1* (Colombo: Government of Sri Lanka, 2011), <https://faolex.fao.org/docs/pdf/srl133812.pdf>.

⁷¹ Ministry of Fisheries and Aquatic Resource Development Sri Lanka, *The National Fisheries Policy* (Colombo: Ministry of Fisheries and Aquatic Resource Development, 2018), https://www.fisheries.gov.lk/web/images/downloads/pdfs/fisheries_policy_e.pdf.

Fisheries and Aquatic Resources Act (2023)⁷², seeks to balance the exploitation of marine resources with long-term sustainability, encouraging responsible fishing practices and marine biodiversity conservation. However, despite these policies, challenges remain in the enforcement and monitoring of regulations, particularly concerning IUU fishing.⁷³

In contrast, specific terms such as “growth” (16) and “technology” (10) suggest, while economic expansion and innovation are acknowledged, they are not as prioritised as sustainability efforts in Sri Lanka’s blue economy framework. For instance, economic initiatives focus more on small-scale fisheries rather than large-scale industrial activities.⁷⁴ The relatively low frequency of the terms “business” (6) and “employment” (3) reflects a cautious approach to economic activities, prioritising sustainability over aggressive economic exploitation. However, the absence of mentions for MSP (0) and Valuation Studies (0) indicates gaps in strategic planning for efficient resource allocation and economic valuation of marine ecosystems. This absence limits the formal integration of ecosystem services, such as mangrove conservation or coral reef protection, into the national economic framework. Thus, Sri Lanka’s blue economy approach aligns predominantly with the “ocean as natural capital” lens, focusing on conserving marine ecosystems while harnessing their potential through sustainable practices like community-based aquaculture and marine biodiversity reserves, ensuring long-term ecological and economic benefits.

3.5 Thailand

Thailand’s blue economy is vital to its national development, given its extensive coastline along the Andaman Sea and the Gulf of Thailand, totalling around 3,219 km. Its EEZ spans over 300,000 sq. km, with significant marine biodiversity and abundant natural resources. Thailand’s blue economy contributes approximately 30 per cent to the country’s GDP and employs 25 per cent of the workforce in traditional sectors such as marine fishing and coastal tourism.⁷⁵ The blue economy in Thailand is built on four key pillars: equitable economic development, healthy ecosystem

⁷² Government of Sri Lanka, *Fisheries and Aquatic Resources Act 1996* (Colombo: Government of Sri Lanka, 1996), <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC004092>.

⁷³ Interview with a senior official from the Marine Environment Protection Authority, Sri Lanka, May 2024.

⁷⁴ Fazeeha Azmi Ibrahim, “Between the Sea and the Land: Small-scale Fishers and Multiple Vulnerabilities in Sri Lanka,” *Sri Lanka Journal of Social Sciences* 43, no. 1 (2020): 5–20, <https://doi.org/10.4038/sljss.v43i1.7641>.

⁷⁵ A. McIlgorm, “Ocean Economy Valuation Studies in the Asia-Pacific Region: Lessons for the Future International Use of National Accounts in the Blue Economy,” *Journal of Ocean and Coastal Economics* 2, issue. 2 (2016), <http://dx.doi.org/10.15351/2373-8456.1046>.

services, integrated approaches, and science-based innovations.⁷⁶ The Thirteenth National Economic and Social Development Plan (2023–2027) identifies blue economy under its ‘eco-friendly growth’ objective, outlining six development guidelines: promoting green growth and sustainable development; fostering sustainable maritime economic growth; advancing climate-friendly societal development; ensuring sustainable growth in urban, rural, agricultural, and industrial sectors; creating security in eco-friendly water, energy, and agriculture; and improving the framework for determining the nation’s future.⁷⁷ In 2015, the Promotion of Marine and Coastal Resources Management Act was enacted to establish institutions for managing coastal resources at both national and local levels, encouraging community participation in coastal governance.⁷⁸

Thailand’s key blue economy policy documents demonstrate that it is primarily driven by a strong focus on sustainability, as evidenced by the high frequency of the term “sustainability” (152), reflecting its commitment to balancing economic growth with environmental conservation. The 2015 Promotion of Marine and Coastal Resources Management Act includes provisions for designating marine and coastal protected areas, such as mangrove conservation areas, significant marine and coastal resource zones, regions needing protective measures against erosion, and specific areas requiring protection to maintain ecosystem integrity.⁷⁹ Similarly, the Royal Ordinance on Fisheries came into effect in 2015, aiming to protect fisheries resources through national and provincial fisheries committees while promoting the involvement of fishing communities in fisheries management.⁸⁰ These laws promote the involvement of local fishing communities in fisheries management, addressing issues like IUU fishing, and ensuring the sustainable use of marine resources. The Act on Offences Relating to Offshore Petroleum Production Places (1987) further strengthens Thailand’s regulatory framework by addressing safety and environmental protection in offshore petroleum production, ensuring responsible exploitation of marine resources.⁸¹

⁷⁶ Intan Murnira Ramli and Tomy Waskitho eds., *Blue Economy Initiatives in South-East Asia: Challenges and Opportunities* (Indonesia: Economic Research Institute for ASEAN and East Asia, 2023), <https://www.eria.org/publications/blue-economy-initiatives-in-south-east-asia-challenges-and-opportunities>.

⁷⁷ Office of the National Economic and Social Development Council (NESDC), *The Thirteenth National Economic and Social Development Plan (2023–2027)* (Bangkok: NESDC, 2023).

⁷⁸ “Act on the Promotion of Marine and Coastal Resource Management,” Office of the Council of State, accessed December 29, 2024, <https://faolex.fao.org/docs/pdf/tha170599.pdf>.

⁷⁹ “Act on the Promotion of Marine,” Office of the Council of State.

⁸⁰ Government of Thailand, *Royal Ordinance on Fisheries* (Thailand: Government of Thailand, 2015), <https://faolex.fao.org/docs/pdf/tha159730.pdf>.

⁸¹ “Act on Offences Relating to Offshore Petroleum Production Places,” *Thailaws.com*, accessed December 26, 2024, <https://faolex.fao.org/docs/pdf/tha155182.pdf>.

Key economic aspects such as “growth” (29), “business” (33), and “employment” (52) highlight Thailand’s efforts to harness ocean resources for job creation and economic development. The emphasis on “livelihood” (26) and “food security” (20) demonstrates the importance of the ocean in supporting coastal communities and ensuring food supply. Strategy 5 of the National Maritime Security Plan (2023-27) specifically deals with blue economy which states that “Development of the blue economy with an emphasis on sustainable management of marine and coastal resources and improvement of logistical connectivity which contribute to economic growth in marine sectors (e.g. transportation, tourism, fishery.”⁸² Besides, in the current Maritime Security Plan (2023-27), there are some ongoing efforts to improve national platforms for knowledge-driven sustainable governance of marine spaces and resources with inclusive engagement of cross-sectored stakeholders.⁸³ In addition, introduced in 2019, the National Marine Interest Act aims to unify governance issues under a clearer institutional framework, guided by three core principles—governance, management, and MSP—while organising blue economy governance through two strategies: protected areas and integrated coastal management.⁸⁴ The emphasis on Marine Protected Areas (18) suggests that environmental concerns are recognised. Currently, 15.7 per cent of Thailand’s EEZ, covering approximately 50,700 sq. km, is managed using ecosystem-based approaches.⁸⁵ However, the absence of “poverty alleviation” (0) and the relatively low focus on Valuation Studies (0) highlight potential gaps in integrating the blue economy into broader social and environmental frameworks. Thailand’s approach aligns with the “ocean as livelihood” lens, focusing on economic growth while striving for sustainability.

3.6 Nepal and Bhutan

Although Nepal and Bhutan are landlocked countries with no direct access to the ocean, their economies are closely tied to sustainable resource management, environmental conservation, and regional cooperation in sectors such as hydropower, riverine ecosystems, and transboundary water resource management. The concept of blue economy for these nations focuses on inland waterways, sustainable water resource management, and regional cooperation in areas like energy, trade, and

⁸² Maritime Security Division, National Security Council, Thailand, *National Maritime Security Plan of Thailand (2023-27)* (Thailand: Maritime Security Division, 2023), <https://faolex.fao.org/docs/pdf/tha220782.pdf>.

⁸³ Interview with Security policy and plan analyst of Thailand, May 2024.

⁸⁴ Government of Thailand, *Maritime Interest Protection Act, 2019* (Bangkok: Thai Maritime Enforcement, Command Center, 2019), <https://www.soc.go.th/wp-content/uploads/2022/09/soc270965.pdf>.

⁸⁵ “Thailand: Towards Sustainable Management of Marine and Coastal Habitats,” United Nations, accessed January 07, 2025, <https://sdgs.un.org/partnerships/thailand-towards-sustainable-management-marine-and-coastal-habitats>.

environmental sustainability. Both countries emphasise ecosystem conservation, community-based water management, and resilience-building against climate change.

Nepal and Bhutan have not developed specific blue economy frameworks due to their lack of direct access to marine resources. However, both countries have comprehensive policies addressing water resource management, environmental protection, and sustainable development. For Nepal, the Water Resources Act (1992)⁸⁶ and the National Water Plan (2005)⁸⁷ focus on sustainable water management, river ecosystems, and hydropower development. Bhutan's Water Act of Bhutan (2011)⁸⁸ and the National Environment Protection Act (2007)⁸⁹ aim to regulate water use and preserve the integrity of river systems, which are crucial to its economy and environmental conservation efforts.

While neither country has specific blue economy policies, there are parallels in their national strategies for managing water resources that align with blue economy principles. In Nepal, the Hydropower Development Policy, 2001 promotes sustainable energy generation from rivers, which could be viewed as a form of blue economy, emphasising renewable resources.⁹⁰ Bhutan's emphasis on hydropower generation, which contributes significantly to its GDP and export earnings, also aligns with sustainable development principles. Furthermore, both nations focus on transboundary water management with neighbouring countries, which is critical for regional cooperation on water resources and disaster management.

Both Nepal and Bhutan's approach to the blue economy can mainly be perceived through the "oceans as natural capital" lens, emphasising the sustainable management and preservation of inland water resources and river ecosystems. Although both countries are landlocked, they recognise the intrinsic value of their freshwater ecosystems in supporting biodiversity, community livelihoods, and economic growth, particularly through sustainable hydropower development. This perspective emphasises the importance of protecting water resources and ecosystems while promoting regional cooperation for the responsible use of shared water bodies. By prioritising environmental sustainability and resilience against climate change, both

⁸⁶ Government of Nepal, *Water Resource Act 1992* (Kathmandu: Ministry of Energy, Water Resources and Irrigation, 1992), <https://faolex.fao.org/docs/pdf/nep1367.pdf>.

⁸⁷ Government of Nepal, *National Water Plan 2005* (Kathmandu: Ministry of Energy, Water Resources and Irrigation, 2005), <https://moewri.gov.np/storage/listies/May2020/national-water-plan.pdf>.

⁸⁸ Parliament of Bhutan, *The Water Act of Bhutan 2011* (Thimphu: Parliament of Bhutan, 2011), <https://oag.gov.bt/wp-content/uploads/2010/05/Water-Act-of-Bhutan-2011-English-and-Dzongkha.pdf>.

⁸⁹ "National Environment Protection Act, 2007," Asia Pacific Energy Portal, accessed December 20, 2024, <https://policy.asiapacificenergy.org/sites/default/files/National%20Environment%20Protection%20Act%20of%20Bhutan%2C%202007%20%28EN%29.pdf>.

⁹⁰ Ministry of Water Resources of Nepal, *Hydropower Development Policy 2001* (Singhadurbar: Ministry of Water Resources, His Majesty's Government, 2001), <https://faolex.fao.org/docs/pdf/nep134957.pdf>.

countries aim to harness their river systems as vital economic assets while safeguarding their ecological integrity.

4. Blue Economy Policies of BIMSTEC Member Countries: Commonalities and Differences

The blue economy policies of BIMSTEC member countries exhibit both shared approaches and divergences, reflecting their distinct national contexts, priorities, and maritime resources. While all member states recognise the importance of sustainable ocean governance and economic growth through the utilisation of marine resources, the specific approaches and frameworks they adopt vary considerably. Based on the quantitative analysis shown in Table 2, this section examines the shared themes that unify BIMSTEC members in their blue economy pursuits while highlighting the divergences in policy emphasis. Understanding these commonalities and differences is crucial for identifying potential areas for collaboration and addressing the unique challenges faced by individual countries within the region.

It is observed that there are several commonalities in the blue economy policies of BIMSTEC member countries. First, sustainability is a key element in the blue economy policies of all BIMSTEC member countries. This emphasis is the strongest in Thailand (152) and Sri Lanka (75), reflecting a regional understanding of the need to balance economic growth with environmental conservation. Myanmar (49) and India (31) also reflect a strong commitment, while Bangladesh (22) shows growing attention to sustainable practices. Second, addressing marine pollution is a notable trend across the countries, with Sri Lanka (39) and Bangladesh (26) being the most focused. Thailand (19), India (6), and Myanmar (2) also acknowledge the issue, though India and Myanmar show relatively lower mentions of marine pollution. Third, livelihood is a critical aspect of blue economy discussions, especially in Sri Lanka (28), Myanmar (20), and Thailand (26). Bangladesh (9) and India (16) also highlight livelihoods, though to a lesser degree. Employment is a focus across most countries, with Thailand (52) standing out, indicating a high prioritisation of job creation within the blue economy. Fourth, Fisheries remain a major blue economy sector among all the member states. Thailand (203) leads in mentions, followed by Sri Lanka (174), India (107), Myanmar (86) and Bangladesh (64). Finally, MSP appears across countries, reflecting a shared commitment to organising ocean space for sustainable use. Bangladesh, India, and Myanmar (12) each mention MSP, indicating a growing focus on structured marine governance

Table 2: Result of Word Frequency of Specific Themes and Terms⁹¹

Country	Economic Themes				Environmental Themes			Social Themes		Innovation		Governance Tools		
	Growth	Business	Employment	Livelihood	Sustainability	Protection	Marine Pollution	Food Security	Poverty Alleviation	Technology	Security	MSP	Accounting	MPA
Bangladesh	1	1	3	9	22	8	26	13	1	1	11	12	1	12
India	75	18	10	16	31	9	6	1	0	43	94	12	6	0
Myanmar	0	13	11	20	49	7	2	7	7	0	8	3	0	7
Sri Lanka	16	6	3	28	75	3	39	1	1	10	11	0	0	4
Thailand	29	33	52	26	152	7	19	20	0	32	13	3	0	18

⁹¹ Author's creation based on word frequency analysis result.

The blue economy policies of BIMSTEC member countries also exhibit several key differences (as shown in Table 2). First, India (75) leads in discussions on “economic growth”, far surpassing other nations. Thailand (29) and Sri Lanka (16) follow, while Myanmar (0) shows no emphasis on “growth”. Business-related terms are also more prevalent in Thailand (33) and India (18), compared to other countries such as Myanmar (13) and Sri Lanka (6). Second, “security” is a major theme in India (94), reflecting its focus on maritime security as part of its blue economy strategy. Bangladesh (11), Sri Lanka (11), and Myanmar (8) mention security less frequently, while Thailand (13) addresses the term moderately. Third, ecosystem services are highly discussed in Sri Lanka (153), Bangladesh (24), and Myanmar (42) showing strong attention to the ecological dimension of the blue economy. In contrast, it is absent in India (0). Again, MPA is notably absent in India (0) while Thailand (18) and Bangladesh (12) show more commitment to conservation through MPAs. Fourth, there is a lack of focus on the economic valuation of coastal and marine ecosystems across the region, with most countries recording very few or no mentions except India (6) while Bangladesh (1), Myanmar (0), Sri Lanka (0), and Thailand (0) demonstrate minimal efforts. Finally, “food security” is relatively underrepresented in all countries except Thailand (20) and Bangladesh (13). The term, “poverty alleviation” is rarely mentioned, with Myanmar (7) addressing it more than other countries, while India (0) and Thailand (0) lack focus in this area.

In brief, BIMSTEC member countries demonstrate commonalities in prioritising sustainability, addressing marine pollution, and integrating MSP into their policies. However, there are clear differences in their focus areas: India emphasises growth, business, and security, while Myanmar and Bangladesh highlight community-based livelihoods. Thailand leads in employment focus and sustainability, while Sri Lanka stands out in livelihood discussions but lags in technology and security aspects.

5. Obstacles to Overcome

There are several key challenges BIMSTEC needs to overcome to effectively implement the blue economy. One of the key challenges in implementing the blue economy within BIMSTEC is the diversity in blue economy policies and priorities among member states, as discussed earlier. Each country in the region has different economic structures, levels of development, and national interests, leading to varied approaches toward marine resource management, conservation, and sustainable development. This misalignment complicates the formulation of cohesive regional strategies and can create obstacles in harmonising regulations, policies, and investments. Additionally, disparities in institutional capacities and legal frameworks

hinder effective coordination, impeding collaborative efforts crucial for realising a sustainable blue economy across the BOB.

The second challenge pertains to the presence of multiple regional blue economy policies. As mentioned earlier, frameworks such as the IORA Action Plan⁹² and the ASEAN Blue Economy Framework⁹³ are already in place. Hence, overlapping priorities and differing policy approaches can create fragmentation and hinder cohesive efforts. This can lead to duplication of initiatives, conflicting objectives, and competition for resources among regional organisations. For BIMSTEC, aligning its blue economy policies with these existing frameworks while maintaining its unique regional focus is essential to avoid policy disconnects and ensure the effective implementation of blue economy strategies that benefit all member states. Moreover, the lack of a unified approach can also complicate cross-border collaboration and hinder the efficient allocation of resources, ultimately reducing the effectiveness of regional blue economy initiatives.

The third challenge to the implementation of the blue economy in BIMSTEC member countries is the presence of maritime security issues, including IUU fishing, human trafficking, smuggling, piracy, armed robbery, and petty theft. The existing literature emphasises the robust connection between the blue economy and marine security, underscoring that sustainable economic growth in ocean-based sectors rely on a secure maritime environment, free from illegal activities and environmental degradation.⁹⁴ Climate change impacts, such as rising sea levels and ocean acidification, further intensify these challenges. These security threats not only jeopardise the livelihoods of coastal communities but also deter investment and technological development essential for blue economy initiatives. The absence of a coordinated regional maritime security framework within BIMSTEC exacerbates these issues, hindering the potential for sustainable development of the blue economy in the region.

The fourth challenge is the lack of adequate funding and investment. Many BIMSTEC nations, particularly the least developed ones, struggle to secure the financial resources needed to develop key blue economy sectors such as fisheries, maritime transport, and renewable marine energy. Moreover, the BIMSTEC

⁹² Indian Ocean Rim Association (IORA), *Second IORA Action Plan*, 7.

⁹³ ASEAN, *The ASEAN Blue Economy Framework* (Indonesia: ASEAN, 2023), <https://asean.org/wp-content/uploads/2023/09/ASEAN-Blue-Economy-Framework.pdf>.

⁹⁴ Christian Bueger, “‘We Are All Islanders Now’ – Michel’s Blue Economy Kaleidoscope and the Missing Link to Maritime Security,” *Journal of the Indian Ocean Region* 14, issue. 1 (2017): 117–19; Michelle Voyer et al., “Maritime Security and the Blue Economy: Intersections and Interdependencies in the Indian Ocean,” *Journal of the Indian Ocean Region* 14, no. 1 (2018): 1–21.

secretariat allocates the majority of its funds primarily for salaries and other operational expenses.⁹⁵ This funding shortfall affects the operation of the secretariat and impedes the organisation's ability to foster collaboration, conduct research, and provide technical assistance to its members. Consequently, the region's potential for advancing the blue economy and other initiatives under BIMSTEC remains constrained.

Another important challenge is limited infrastructure and technology. Many nations in the region, particularly the less developed ones, lack the necessary maritime infrastructure such as ports, shipping facilities, and marine research institutions, which are essential for supporting sustainable blue economy activities like fisheries, tourism, and renewable energy. Additionally, there is a significant technology gap, with insufficient access to advanced tools for ocean exploration, monitoring, and resource management. Differences in technological capabilities and institutional capacities among member states result in inconsistent data collection practices, making it difficult to monitor ocean health, marine resources, and economic activities effectively.

Finally, political tensions among key BIMSTEC member states pose significant challenges to the successful implementation of blue economy initiatives. Recent geopolitical shifts in the region have raised concerns about the future of BIMSTEC, casting doubt on its ability to advance blue economy cooperation. Analysts highlight the persistent trust deficit between member states, particularly in terms of sharing critical blue economy data, as a major obstacle to collaboration.⁹⁶ Moreover, political instability in Myanmar has further strained regional efforts to foster cooperation on environmental and maritime projects. Consequently, these tensions undermine the region's capacity to fully realise the potential of its blue economy.

6. The Path Ahead for BIMSTEC

A consistent definition of the blue economy is crucial for advancing its implementation within BIMSTEC member countries. Currently, differing interpretations of the blue economy among member states lead to misaligned priorities and fragmented approaches to sustainable marine resource management. A unified definition would establish a shared vision and common goals, facilitating better coordination and collaboration across sectors such as fisheries, marine tourism, renewable energy, and conservation. BIMSTEC can facilitate the development of a

⁹⁵ Xavier, "Bridging the Bay of Bengal".

⁹⁶ Interview with an Indian Think Tank, May 2024.

consistent definition of the blue economy by fostering dialogue among member states, harmonising diverse perspectives, and promoting shared principles.

It is necessary to develop an appropriate accounting system for calculating the contribution of blue economy to the total economies of BIMSTEC countries. In several countries where the blue economy is significant, like the United States (US), China, South Korea, the EU, and Australia, considerable advancements have been achieved. Experts indicate that the assessment of a sustainable blue economy relies equally, if not more, on developing the capacity to do such measurements as it does on addressing theoretical, empirical, and practical challenges.⁹⁷ Consequently, a suitable institutional framework may be developed at the regional level to assess and analyse the magnitude of the blue economy in various member states. BIMSTEC can facilitate the development of a blue economy accounting system by harmonising regional initiatives to standardise data collecting and reporting procedures across many sectors.

BIMSTEC can significantly contribute to the alignment of policies. Moreover, the establishment of a regional framework for the sustainable management of marine resources is needed for establishing common standards across critical sectors including fisheries management, marine pollution control, and conservation efforts. For example, the organisation could promote the advancement of a regional fisheries management framework similar to the Indian Ocean Tuna Commission (IOTC), which helps coordinate sustainable fishing practices across its member states. Additionally, BIMSTEC could promote MPAs to enhance conservation efforts across its member nations. Besides, through coordinated efforts, BIMSTEC can help integrate environmental, economic, and social considerations into spatial planning, promoting sustainable use of the BoB's marine ecosystems.

BIMSTEC can support capacity-building programmes and provide technical assistance to member countries, enhancing their abilities to manage and develop blue economy sectors sustainably. This includes training, workshops, and collaborative research initiatives. The organisation can facilitate the creation of a regional database and promote data sharing and transparency among member states. In addition, it can play a role in raising awareness about the importance of a sustainable blue economy and advocating for the integration of sustainability principles in national and regional policies. However, resource constraints within BIMSTEC could pose challenges in this regard, necessitating securing of sustainable funding through enhanced

⁹⁷ Charles S. Colgan, "Measurement of the Ocean Economy from National Income Accounts to the Sustainable Blue Economy," *Journal of Ocean and Coastal Economics* 2, no. 2 (2016), doi: <https://doi.org/10.15351/2373-8456.1061>.

contributions from member states, external partnerships, and engagement with multilateral financial institutions. Therefore, the proposed MoUs between BIMSTEC with IORA, ASEAN, the United Nations Office on Drugs and Crime (UNODC) and the World Bank is a welcoming step in this aspect.

Maritime security issues need to be addressed as well within the framework of BIMSTEC. As mentioned earlier, in the existing literature, it is established that maritime security and blue economy are interlinked. Therefore, ensuring maritime security is essential for sustainable blue economy development. BIMSTEC can facilitate cooperation among member states to address common maritime security threats, such as illegal fishing, piracy, and maritime trafficking, thereby promoting a conducive environment for sustainable economic activities in the BoB. Strengthening maritime law enforcement capabilities, including surveillance, monitoring, and enforcement measures would be important as well to ensure the safety and security of maritime activities in the region.

To enhance regional collaboration and maximise the sustainable development of marine resources, BIMSTEC should align its Blue Economy Action Plan with other established frameworks, such as the IORA Action Plan and the ASEAN Blue Economy Framework. By harmonising its initiatives with these regional efforts, BIMSTEC can promote greater policy coherence, share best practices, and address common challenges like marine conservation, pollution, and climate resilience more effectively. This alignment would also facilitate collaborative projects, enhance economic opportunities, and ensure a unified approach to sustainable ocean governance in the wider Indian Ocean and Asia-Pacific regions.

Finally, developing a BIMSTEC Blue Economy Plan of Action is essential in aligning economic growth with environmental conservation. The Plan should emphasise capacity building, data sharing, and joint research initiatives among member states, particularly in fisheries, aquaculture, renewable energy, and maritime transport. Enhancing governance structure, creating public-private partnership, and promoting eco-friendly coastal tourism should be prioritised to ensure inclusive economic development. It is also crucial to address challenges such as marine pollution, climate change impacts, and disaster risk management by integrating resilience-building measures into the plan. Besides, a robust monitoring and evaluation framework should be incorporated to ensure adaptive management and effective implementation over time.⁹⁸ The Blue Economy Action Plan needs to set

⁹⁸ Interview with a member of the Eminent Persons' Group on the Future Directions of BIMSTEC (EPG), June 2024.

short, medium and long-term goals for ensuring a balanced progression toward holistic blue economy development.

7. Conclusion

BIMSTEC member countries exhibit a diverse yet interconnected landscape in their blue economy policies, reflecting a blend of commonalities and differences shaped by their unique socio-economic contexts. Commonalities include a strong emphasis on sustainability, fisheries, addressing marine pollution, enhancing livelihoods and employment opportunities, and incorporating MSP into their frameworks. However, significant divergences emerge in areas such as growth-oriented strategies, prioritisation of security and surveillance measures, management of ecosystems and MPAs and approach to valuation studies. Bangladesh adopts a balanced approach through the “oceans as livelihood” lens, emphasising economic growth and poverty reduction while addressing ecological conservation through the “oceans as natural capital” perspective. India primarily focuses on “oceans as good business,” prioritising port-led development and economic infrastructure but lacking a strong emphasis on environmental sustainability. Myanmar combines the “oceans as livelihood” and “oceans as natural capital” lenses, aiming to leverage marine resources for poverty alleviation while addressing environmental challenges. Sri Lanka predominantly aligns with the “oceans as natural capital,” focusing on conserving ocean ecosystems while fostering sustainable livelihoods. Thailand emphasises the “oceans as livelihood” approach, striving for economic growth and sustainability but needing further integration of conservation strategies. Lastly, both Nepal and Bhutan approach the blue economy through the “oceans as natural capital” lens, focusing on sustainable management of their inland water resources and river ecosystems to support biodiversity and economic growth, particularly through sustainable hydropower development. Collectively, these trends underscore the need for collaborative frameworks that harmonise these diverse policies to foster sustainable blue economy development across the region.

The implementation of the blue economy within BIMSTEC faces several critical challenges, notably the diversity in policies and priorities among member states, which complicates regional coordination and hinders cohesive strategies for sustainable development. The presence of multiple regional blue economy frameworks, such as those of IORA and ASEAN, adds to the complexity, as overlapping priorities and differing approaches can fragment efforts. Additionally, maritime security threats—such as IUU fishing, piracy and environmental degradation—further obstruct blue economy initiatives, with the absence of a

coordinated regional maritime security framework exacerbating these issues. Another significant obstacle is the lack of adequate funding and investment, which constrains the development of key sectors like fisheries, maritime transport, and renewable energy. This financial gap is particularly acute in less developed BIMSTEC member states, limiting their ability to invest in sustainable marine resource management. Furthermore, limited infrastructure and technological capabilities in many member countries hinder the efficient utilisation of marine resources. Finally, political tensions and trust deficits among key BIMSTEC member states hinder effective blue economy cooperation in the region. These challenges collectively impede BIMSTEC's progress toward realising the full potential of the blue economy.

To effectively develop the blue economy in the BIMSTEC region, it is essential to establish a consistent definition that encompasses its diverse activities and sectors. A comprehensive definition will facilitate joint actions to explore the region's blue economy potential, which remains subject to multiple interpretations. Moreover, a suitable accounting framework is needed to measure the blue economy's contribution to the overall economy, supported by regional institutional mechanisms that build on international best practices. BIMSTEC has the potential to contribute a pivotal role in harmonising policies and creating regional frameworks for sustainable marine resource management, including the adoption of consistent guidelines for fisheries and pollution control. Additionally, BIMSTEC must support capacity-building initiatives, enhance monitoring and data sharing, and advocate for sustainable practices. Addressing maritime security issues is vital, necessitating cooperation among member states to combat threats such as illegal fishing and piracy. Finally, aligning the BIMSTEC Blue Economy Action Plan with established frameworks like the ASEAN Blue Economy Framework and IORA Action Plan will strengthen regional cooperation and promote policy coherence for sustainable development.

Annex

Annex 1: Specific Blue Economy Government Documents of BIMSTEC Member Countries

Country	Year	Title	Document Type
Bangladesh	2019	Blue Economy Development Work Plan	Government Policy
	2021	Territorial Waters and Maritime Zones Amendment Act	Government Act
India	2020	India's Blue Economy: A Draft Policy Framework	Government Policy
	2016	Sagarmala: New Dimensions in Coastal Economy	Government Policy
Myanmar	2017	Myanmar Territorial Sea and Maritime Zones Law	Government Law
	2016	Coastal Resources Management Myanmar	Government Report
Sri Lanka	2024	Sri Lanka Coastal Zone and Coastal Resource Management Plan	Government Policy
Thailand	2015	The Promotion of Marine and Coastal Resources Management Act	Government Act
	2018	National State of Oceans and Coasts: Blue Economy Growth of Thailand	Government Report

Source: Compiled by Author.

Annex 2: Key Themes and Sub-themes in Blue Economy Lenses

Economic Themes	Environmental themes	Social Themes	Innovation and Technical Capacity	Governance Tools
<ul style="list-style-type: none"> • Economic Growth • Business • Employment • Livelihood 	<ul style="list-style-type: none"> • Sustainability • Environment Protection • Marine Pollution 	<ul style="list-style-type: none"> • Food Security • Poverty Alleviation 	<ul style="list-style-type: none"> • Innovation • Security and Surveillance 	<ul style="list-style-type: none"> • MSP • Accounting/valuation of Ocean Industries • Ecosystem Services Valuation or Payment • MPAs

Source: Adapted from Voyer et al., "Shades of Blue".

Annex 3: The Related Blue Economy Regulations and Policies of BIMSTEC Member Countries

Country	Living Resources (e.g., Fisheries, Aquaculture)	Non-Living Resources (e.g., Oil and Gas, Renewable Marine Energy)	Other Economic Activities (e.g., Shipping, Tourism, Ports, Shipbuilding)	Protection of Sea (e.g., Marine Surveillance, Waste Management, Ecosystem Services)
Bangladesh	Marine Fisheries Policy (2023) Marine Fisheries Act (2020)	Integrated Energy and Power Master Plan (2023)	Bangladesh Shipping Corporation Act, 2017 National Tourism Policy, 2009 Bangladesh Tourism Protected Areas and Special Tourism Zone Act, 2010	Territorial Water and Maritime Zone Amendment Act (2021) National Plan of Action (NPOA)-IUU (2021)
India	National Fisheries Policy (2020), The Maritime Zones of India (Regulation of Fishing by Foreign Vessels) (1981), Coastal Aquaculture Authority Rules (2024),	National Offshore Wind Energy Policy (2015) The Petroleum and Natural Gas Rules (2003)	The Major Port Authorities Act (2021), Merchant Shipping (Amendment) (2002),	Maritime Anti-Piracy Act (2022), The Marine Aids to Navigation Act (2021), The Admiralty (Jurisdiction and Settlement of Maritime Claims) Act (2017)
Myanmar	Marine Fisheries Law (Amendment) (1993)	Myanmar Energy Policy (2014)	Coastal and Maritime Transport (2015)	Myanmar Territorial Sea and Maritime Zones Law (2017) Myanmar Coastal Authority (2015)

				Conservation of Biodiversity and Protected Areas (2018)
Sri Lanka	Fisheries and Aquatic Resources (Amendment) Act (2023)	National Energy Policy and Strategies of Sri Lanka (2019)	Merchant Shipping (Amendment) Act (2019)	Marine Pollution Prevention Act (2008); Oil Spill Contingency Plan Regulations (2012) Marine Environmental Protection Regulations (2016) Offshore Exploration for and Exploitation of Natural Resources including Petroleum (Marine Environment Protection) Regulation No. 1 of 2011
Thailand	Royal Ordinance on Fisheries (2015) Royal Ordinance on Fisheries No.2 (2017)	The Energy Conservation Promotion Act (1992)	Merchant Marine Promotion Act (1978)	Act on the Promotion of Marine and Coastal Resources Management (2015) Marine National Interest Protection Act (2019) National Park Act (2019) Navigation in the Thai Waters Act (2022) Act on Offences Relating to Offshore Petroleum Production Places (1987)
Bhutan	Bhutan Fishing (Amendment) Rules (1992)	Not applicable (landlocked)	Not applicable (landlocked)	Water Act of Bhutan (2011) The National Environment Protection Act (2007)
Nepal	Aquatic Animal Protection Act (2017)	Not applicable (landlocked)	Not applicable (landlocked)	Environment Protection Act (2019) The Water Resources Act (1992) The National Water Resources Policy (2020)

Source: Compiled by author from various sources.

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 The Indian Ocean as a Zone of Peace
 The Security of Small States
 ASEAN Experiences of Regional and Inter-regional Cooperation: Relevance for SAARC
 Development, Politics and Security: Third World Context
 Bangladesh and SAARC: Issues, Perspectives and Outlook
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