Institutionalizing Linkages between ASEAN and Bangladesh: Challenges and Prospects

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Abstract: Bangladesh’s moderate economic growth intertwined with economic liberalization and trade linkages with ASEAN countries are expected to strengthen the ASEAN-Bangladesh Relations. Dynamic shift of ASEAN in its structure and relations enables neighboring countries like Bangladesh to seek institutionalization of linkages with ASEAN. Institutionalization of this relationship between ASEAN and Bangladesh fosters investment and trade flows, social and cultural exchanges as well as technical cooperation to cope with the challenges of 21st century stemming from global economic recession and other transnational forces worldwide. This paper explores the recent trends and future prospect of ASEAN- Bangladesh relations taking into consideration the policy options within a trans-regional context evolving under the framework of economic realism.

Keywords: Economic Realism, Regionalization, Political Culture, Asian Way, Inter-regional Relations

Introduction

ASEAN, as a comprehensive regional organization, provides a venue for the exchange of views and a tentative understanding with the member countries of Southeast Asia. The expansion of ASEAN to a grouping of 10, the inclusion of Myanmar and the emergence of the ASEAN’s regional process including Japan, China, South Korea, Australia and New Zealand, means that Bangladesh now stands directly at ASEAN’s western door and is being drawn still closer to China's strategic periphery. It is therefore the gateway between ASEAN and South Asian states. The strengthening of ASEAN-Bangladesh relations seems to be a natural development as these two are part of the global economies that are becoming rapidly interlinked through more open trade regimes in the era of globalization. Regionalization is often driven by economic motivation (Christopher, Hughes and Philippe, 2008). The development dynamism has driven ASEAN to seek external relations with many countries, both developed and developing ones. Bangladesh was added to ASEAN Regional Forum (ARF) as the 26th member, starting from July 28 2006 (Hindustan Times, 2006).

ASEAN regularly conducts dialogue meetings with other countries and an organization, collectively known as the ASEAN dialogue partners during the ASEAN Regional Forum (ARF). The ASEAN Regional Forum is an informal multilateral dialogue of 25 members that seeks to address security issues in the Asia-Pacific region. The ARF met for the first time in 1994. ASEAN’s formal economic dialogues were already well established with the European Union (EU), U.S., Japan, Australia, New Zealand, and Canada. In the more recent past, ASEAN has
begun to extend the dialogue relationship to South Korea, China, Russia and India. Furthermore, ASEAN has enlarged its membership to include Vietnam, has accorded sectoral partnership to Pakistan, Bangladesh and has established relations with Laos, Cambodia and Papua New Guinea etc (Johnston, 2003).³

East Asian regional integration has widened in two directions: from the Southeast Asia-based ASEAN context to “ASEAN+3,” which includes China, Japan, and South Korea, and from real sector integration (trade liberalization and factor movements) to monetary integration. The driving factors behind these new developments of ASEAN, which also included India, Australia and New Zealand as dialogue partners, have been the stalemate situation in the multilateral trade negotiations (the Doha Round) and efforts to avoid a new financial crisis (Langhammer, 2007).⁴

There is a need for widening and deepening economic cooperation between ASEAN and South Asian states like Bangladesh based on mutual advantage that might, in turn, lead to a greater share of global trade. In addition, there exists a commonality of economic and security interests between Bangladesh and ASEAN countries, including the expansion of trade and investment, agriculture, tourism, communications and the transfer of technology. Furthermore, Bangladesh cannot remain outside the penetrating influence of globalization. In an age of economic striving and cooperative security, sustained growth may be its most important goal. These factors indicate that both Bangladesh and ASEAN have the geo-economic potential to extract advantage from the increased trade and cooperation in the era of globalization that involves the economic powerhouses of the ASEAN process. The main purpose of this paper is to examine the evolving regional dynamism of ASEAN as an effective and growing route to East Asian regional cooperation in the era of globalization, taking into account both theoretical and practical perspectives. It will also evaluate the significance and limitations of the ASEAN process in the context of the role and perceptions of the major powers involved and also focus on how the ASEAN-Bangladesh cooperation can be strengthened for mutual benefit on the basis of equal premiership.

**Literature Review and Significance of the Study**

In the study of ASEAN-Bangladesh’s relations in Southeast and East Asia, scholars have looked at a host of concerns particularly at the bilateral relations among different ASEAN countries and Bangladesh. Well-researched studies have mainly dealt with sub-regional cooperation within ASEAN and SAARC focusing on security and foreign policy issues as being written by Dr. Abul Kalam (2002).⁵ The title of his book is “Sub regionalism in Asia: ASEAN and SAARC Experience”. One more Bangladeshi scholar in this field is Mohammad Humayun Kabir (2002) who has a scholarly writing titled “Sub-regional cooperation in ASEAN and SAARC: Security and Foreign Policy Issues”.

Another scholarly contribution in this regard is the book titled ‘Bangladesh-Southeast Asia Relations: Some Insights’, which has been edited by Shaheen Afroz (2002). But this book is the compilation of the papers presented in the Seminar on Bangladesh-Southeast Asian Relations, organized by Bangladesh Institute of International and Strategic Studies (BIISS), held during 28-
29 May, 2001. However, this book does not include any issue like ASEAN-Bangladesh relations at the multilateral level. Locating ASEAN-Bangladesh relations specifically in the South and Southeast Asia regions, more importantly in the context of ASEAN’s comprehensive regionalization process, has not only been a recent enterprise but also a rare one. There is hardly any work that has so far dealt with this area. Bangladesh’s policy towards sub-regional cooperation and growth triangles within ASEAN and SAARC received comprehensive scholarly treatment. ASEAN-Bangladesh relationship has so far remained almost outside the pale of scholarly focus, which the present paper seeks to probe. This work also analyzed study recent policy initiative of Bangladesh from its India-oriented policy to look eastward policy that includes expanding its policy outlook towards its eastern neighbors of Southeast and East Asia through ASEAN. Moreover this study will explore policy choices and options of ASEAN and Bangladesh with regard to the evolving ASEAN Plus Three, East Asia Summit (EAS) and other comprehensive regionalization process in Southeast and East Asia and as well as it will focus on economic interests that Bangladesh should attain by pursuing the policy for a formal link with such regional process.

Although this is a policy study detailing Bangladesh-ASEAN relations in the context of intra-regional cooperation perspective, it does not aim to explain the process of decision-making in ASEAN or Bangladesh. Studies, which deal with the mechanics of policy formulations, have their value undoubtedly. But they are of particular issues in analyzing the working of a specific institutions rather than examining the interactions and relations between two or more actors over a period of time. Having mentioned this it is pertinent to say that Bangladesh-ASEAN relations would be determined by different crucial factors in the era of globalization, even though institutions that are relevant to the formulation of policies exist at different levels.

**Some Conceptual Underpinnings**

Because of the East Asian crisis in 1997 and its geopolitical ramifications, critics have viewed the record of institutions in Southeast and East Asia as proof of the realist claim that institutions matter only on the margins of international life (Acharya, 2003). Although regional economic cooperation has been taking place in the form of the comprehensive process in East Asia since the economic crisis of 1997, interest based perspectives explain the origins of such Asian collaborative processes in terms of the expected benefits of cooperation pursued through the goal-oriented rational actions of states. Such explanations have been concerned with viewing the emergence of Asian as a comprehensive regional organization as a logical response to rising economic interdependence (Drysdale and Garnut, 1993) and as an attempt to manage a future economic crisis in East Asia as well as to stabilize the economic situation among the ASEAN member states.

It is useful at this point to distinguish between ‘regionalization’ and ‘regionalism’ as these terms are often employed interchangeably. In the main, regionalization is viewed as encompassing those regional processes that are the largely uncoordinated consequences of private sector-led economic integration. Regionalism, in contrast, comprises processes of regionally based cooperation and coordination efforts that are the self-consciously driven consequences of
political activities (Breslin, and Higgott,, 2000). This distinction provides an important point of comparison and explanation both within a particular region, and between regions in different parts of the world. For instance, ‘East Asia’s experience of integration differed markedly from that of Europe in that it occurred principally through a process of regionalization in which external economic forces played a major role, followed by regionalism, or formal political initiative and agreements (Beeson, 2003). Notwithstanding their conceptual and practical linkages this paper focuses on regionalization with regard to the evolving comprehensive process and other regional issues concerned. The policy goals and interests of Southeast and East Asian countries, as well as those of Bangladesh, can be understood well through the “economic realist” approach, which offers greater scope in modeling the relationship between globalization and regionalism. It depicts a more ‘realistic’ notion of world politics while also allowing us to integrate domestic politics into analysis in a conceptually consistent manner.

The economic realist view of nation-states as independent political communities, notwithstanding their interdependent relations with other states and with non-state actors, is one that accords with much real-world dynamics. Another central argument of economic realism is that ‘states seek to influence markets to their own individual advantage’, making the geographic location of economic activities their leading concern (Gilpin, 1987). This implies that governments are likely to marshal ‘power’ in an attempt to interfere in global markets to attain national interests in competition with other states, or in response to non-state actors such as trans-national corporations in the global system. For smaller, less powerful states, this can occur through cooperation between similarly situated nations in much the same way that alliance formation meets the shared strategic interests of a group of states vis-à-vis other states. This particular view of agency in the international political economy concurs with classical realist thinking. Morgenthau, for instance, acknowledged that states have the potential to transform the international system ‘through the workmanlike manipulation of the perennial forces that have shaped the past as they will the future’ (Morgenthau, 1985).

Therefore, economic realism recognizes that state actors can attempt to, and often do, manipulate inter-state politics to influence some aspect of the international political economy (IPE). While the actual success of such agendas may be limited, especially in the case of developing countries like Bangladesh, by allowing for the possibility of purposeful action, the economic realist perspective re-introduces the political into liberal frameworks of regionalism. Bangladeshi political elites, therefore, often have to engage in difficult balancing acts in their policy choices, particularly when these involve significant trade-offs between the growth and distributive imperatives, or between maximizing wealth and efficiency in society as a whole and maximizing the wealth of a segment of society.

Thus the analytical framework suggested in this paper, which combines the economic realist perspective on IPE with domestic politics, offers substantial analytical advantages over liberal perspectives in explaining regionalism as an outcome of globalization. The unique feature of “Asian Way” is that it considers sovereignty as a sacred value and the principle of non-intervention in internal affairs of each other. This is the most sacred principles of international community since the community was formulated in 1648 in Westphalia. This principle is also at
the core of what is called an “ASEAN Way” (Okamoto, 1995). It is also true that Northeast Asian countries are even more rigorous in pursing this principle. The value of economic realism as a theoretical tool is compatible with “Asian Way” and comes from its recognition that states continue to matter, and governments of these states can, and often do consciously manipulate inter-state relations to try and intervene in the IPE in line with domestic interests. Regionalism can be interpreted as one such instrument for states to pool their resources in order to influence the IPE and to promote a state’s own economic interests as well (Jacobsen, 1996).

Research Methodology

Using economic realist approach, this paper builds upon official documents, several literatures, selective survey and interviews regarding recent trends and future prospect of ASEAN-Bangladesh relations in the light of ASEAN’s expansion as a comprehensive process. Moreover at present the recent effort of Bangladesh to become integrated with the East Asian region through its ‘Look East’ policy is also focused in this paper by analyzing ASEAN’s problems and prospects of becoming a dominant East Asian regional institution.

The establishment of formal link between ASEAN and Bangladesh through ARF in 2006 and ASEAN’s expansion and Bangladesh’s present move towards its Eastern neighbors by the adoption of the look east policy indicate that both ASEAN and Bangladesh intend to utilize the intra-regional cooperation as an instrument to cope with the challenges of globalization and to ensure regional benefit to their respective advantages. The economic realist approach as a theoretical tool comes from its recognition that states continue to matter, and more importantly, that the governments of these states can, and often do manipulate inter-state relations consciously to try and intervene in the international political economy in line with domestic interests. Regionalization process can be interpreted as one such instrument for states to pool their resources in order to influence the international political economy to their interests and to cope with the global market forces. Thus ASEAN-Bangladesh relations can be well interpreted by the economic realist approach that has been guiding their policies towards East Asian region.

Therefore, both primary and secondary data have been used for this research work. Data related to ASEAN-Bangladesh relations and their policies have been collected by focusing on trade and investment and other economic issues from the Foreign Ministry of Bangladesh. Full use of relevant books, journals and internet sources is made in order to make this study informative and meaningful. Field survey through interviews was conducted in Dhaka during June-July 2008. Concerned government officials in charge of foreign policy-making process with regard to ASEAN in Bangladesh. Interviews are also conducted with the business elite, university scholars, leading politicians of Bangladesh. Careful attention was given to build rapport while conducting interviews with the government officials and other professionals, so that respondents felt comfortable to express their actual viewpoints regarding the subject matter. Thus both documentation research and selective survey (using interviews technique) has provided methodological basis for this research.
A key component in the ASEAN-Bangladesh relations is the ASEAN’s institutionalization of external relations with Bangladesh. Effective and dynamic organization is essential for creation and maintenance of successful links. The next section is devoted to a brief study of the ASEAN-Bangladesh relations highlighting both the recent trends and future prospect in those relationships.

Trade between Bangladesh and ASEAN

Bangladesh has strong historical trade links with ASEAN countries. The links among Bangladesh, Malaysia and Singapore were strengthened in more recent times by having shared a common colonial experience, under British rule. The British brought Bangladeshi to work in the plantations and railways of the Malay Peninsula, and most of them stayed on at the end of their indenture or contract. The presence of Bangladesh in South East Asia may also be seen through their natural occupation as traders, particularly evident in port cities such as Singapore, Penang and Bangkok.

Normal trade volume between Bangladesh and Myanmar declined to 19 million U.S. dollars in 2007-08 from previous fiscal’s 26 million U.S dollars because of the recent increase of smuggling in the border areas between the two countries. Bangladesh’s trade deficit with Myanmar, which was 23.60 million dollars during 2000-01, came down to 14.5 million dollars in 2007-08 fiscal years. Trade imbalance is still against Bangladesh at US $ 14.5 million. During this visit of Myanmar’s premier Yangon’s offer to launch Accounts Trade Arrangement (ATA) and Joint Trade Commission (JTC) will be viable support for bolstering external trade favoring Bangladesh.15

Table 1: Trade volume and trade deficit between Bangladesh and Myanmar (US $)

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<th>2000-01 (fiscal year)</th>
<th>2007-08 (fiscal year)</th>
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<tr>
<td><strong>Trade volume</strong></td>
<td>26 million</td>
<td>19 million</td>
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<tr>
<td><strong>Bangladesh’s Trade deficit With Myanmar</strong></td>
<td>23.60 million</td>
<td>14.5 million</td>
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<tr>
<td><strong>Bangladesh’s imports from Myanmar</strong></td>
<td>________</td>
<td>24.69 million</td>
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<tr>
<td><strong>Bangladesh’s Exports to Myanmar</strong></td>
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<td>1.09 million</td>
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Source: Bangladesh Bureau of Statistics, 2009.16

From table 1 it is evident that Bangladesh imports more from ASEAN countries than that of its exports to those countries. Today, the relationship between Bangladesh and ASEAN is very
much based on economic considerations. The complementary nature of the ASEAN-Bangladesh economies can encourage interdependence and close cooperation between the two sides. In certain areas Bangladeshi expertise could provide the necessary factor and technological inputs to help ASEAN in its growth. ASEAN can be the link enabling Bangladesh to join the international production network. In addition, ASEAN provides examples and lessons for Bangladesh in its adjustment towards an open economy.

In addition, ASEAN provides examples and lessons for Bangladesh in its adjustment towards an open economy. In April 2010 Bangladesh's Advisor to the Ministry of Foreign Affairs said,

“We believe in strengthening our relationship with ASEAN. In many ways Bangladesh and ASEAN countries share many common values, there are lessons to learn from each other."

Trade and cooperation are increasing year by year between Malaysia and Bangladesh and both are forecasting sharp increases in their pharmaceutical exports, business groups are calling for the establishment of a Free Trade Agreement (FTA) between the two nations. One reason is that Bangladesh’s total exports to Malaysia - its largest investment partner among the Association of Southeast Asian Nations (ASEAN) - were worth just US$16.9 million in 2006-7, while its imports from there totaled US$384.16 million.

Many Malaysian companies have shown keen interest to participate in infrastructure projects here such as power generation, sea port development, waste disposal system, construction of roads and highways as well as in the service sector such as education and healthcare. Malaysia said will continue to contribute positive efforts to promote and expand bilateral relations with Bangladesh, particularly in trade and investment. Pending projects like the Dhaka-Chittagong highway, worth $1.2 billion, power generation, port development etc would be completed.

As the ties with Malaysia grew in volumes, the Bangladesh business community seeks now a free trade agreement (FTA) put on track quickly to help enhance the two-way trade with Malaysia and help slash the widening trade deficit affecting the South Asian nation. Though the proposed FTA was mooted in 2004, it failed to materialize but now with Bangladesh-Malaysia trade relations on the surge, a comprehensive trade pact could help encourage trade and cross-border investment flow. This FTA proposal merits serious consideration and examination.

Bangladesh needs to pay greater attention to creating economic linkages between South-East Asian nations through the Asian highway and its immediate neighbors -- Myanmar and Thailand. India's "Look East" policy is drawing it closer to South-East Asian countries. Bangladesh should join them actively and immediately. Thailand's "Look West" policy is bringing that country closer to Bangladesh; the "Look East" policy of Bangladesh is drawing it closer to South-East Asian countries. Bangladesh needs to look at better trade relations with our nearest East Asian
countries like Thailand, instead of concentrating on the West. It is high time for Bangladesh to boost relations with Thailand in order to involve her with ASEAN, East Asia, China and Japan, into a wider "Asian home" to nurture the economic diplomacy adopted in recent times. Bangladesh needs to work towards integrating Bangladesh into the ASEAN economy.

Although the trade volume between Bangladesh and Thailand has increased steadily over the years, the trade balance continues to remain in favor of Thailand. But sustained growth of the Bangladesh economy and foreign investment in sectors like manufacturing, energy, agriculture and communication have created new avenues for Bangladeshi exporters to exploit the competitive Thai market. The Thai government has given duty concessions to 229 Bangladeshi products, which were granted in two phases. The first phase, which included 128 Bangladeshi products, has been effective since January 16, 2004. The second phase, which included 101 Bangladeshi products, was effective from May 28, 2004. Bangladesh has so far signed six MOUs/Agreements with Thailand to promote bilateral trade between the two countries.

Bangladesh is the only nation among the world’s 49 least-developed countries (LDCs) to be almost self-sufficient in the production of pharmaceuticals - largely branded generic drugs. Moreover, its drug exports - to 68 nations - grew 47% to $28.12 million in 2006-7 and, at $23.63 million, they have beaten first-half 2007-8’s target of $15.63 million by over 51%, the nation’s Export Promotion Bureau (EPB) reports. With proper government support to help Dhaka enter the world’s highly-regulated markets, Bangladeshi industrial conglomerate’s pharmaceuticals arm, BPL, could create an export market worth over 10,000 crore taka ($1.5 billion) by 2009.

The Bangladesh Association of Pharmaceutical Industries (BAPI) expects this growth rate to double in the second half of this year, as the industry looks to expand its business beyond the less-regulated Asian markets of Myanmar, Nepal, the Philippines and Vietnam, where its products have faced very little competition. They are now moving successfully into moderately regulated markets such as Russia, Ukraine and Singapore and other ASEAN countries.

The most obvious and immediate indicators of the economic relationship between ASEAN and Bangladesh are trade and investment. ASEAN investors can reap benefits by utilizing the low infrastructure cost, cheap labor and natural gas of Bangladesh. Although Bangladesh is a long way from being a major trading partner of ASEAN states, nevertheless the value of trade between the two regions is growing rapidly. Against this backdrop, Bangladesh and ASEAN should explore the opportunities for a comprehensive trade partnership through FTA between ASEAN and Bangladesh.

**Geo-strategic Imperative of Bangladesh-ASEAN Relations**

Cooperation between ASEAN and Bangladesh in a formal sense began quite recently through Bangladesh’s entry into ASEAN Regional Forum in 2006. In so far as the direction of Bangladesh’s diplomacy concerned the most important diplomatic and consular relations with the world community can be classified into: 1) Bilateral, 2) Regional and 3) Multilateral or Universal relations. Bangladesh deals with various regional organizations such as Organization
of Islamic Conference (OIC), Non-aligned Movement, the Commonwealth of Nations and so forth. However by its geographic proximity, historical ties and cultural affinity, the most relevant Bangladesh’s regional relationship today is maintained with the SAARC. But, because of Dhaka’s frustration over the slow progress in the SAARC, which has been constrained by the antagonistic relations of India and Pakistan, compared to the success of ASEAN in recent years led Bangladesh to look at its eastern horizon in its new policy thrust. Therefore, the dynamic East Asian region becomes an important focus of Bangladesh’s foreign policy nowadays.

Geographically a big neighbor India surrounds Bangladesh, which often causes it to formulate India-oriented policy thinking. Such policy thinking sometimes limits the scope of decision-making at both national and international levels. Still Bangladesh has the potential to play a crucial role because of the significant strategic and geo-economic advantage due to its proximity to the Southeast and East Asian countries. As Bangladesh is handicapped by a number of outstanding issues with India, many of which are critical to its survival, stability and development, Bangladesh must diversify its relationship with ASEAN and East Asian countries and engage itself into ASEAN’s comprehensive regionalization process as a whole.

Besides economic advancement ASEAN has the potential to become an autonomous regional institution, which could be able to introduce Asian currencies without solely depending on the US dollar hopefully in the future in order to absorb any kind of financial crisis in Asia. Therefore it is possible for the policy makers of the concerned member states of the APT to minimize the danger of the forces of globalization and financial crisis. There is no doubt that Bangladesh finds itself as a ‘land-bridge’ between South Asia and Southeast Asia. The proposed transnational highway and rail-lines between Bangladesh and Southeast Asian countries will add further credence and business meanings to it. Such Strategic location of Bangladesh provides it with a legitimate claim to play its due role for greater interaction in Southeast and East Asian region. Bangladesh has liberalized its economy progressively over the last decade. So there exists an enormous scope for the APT states to increase trade and investment links with Bangladesh.

The annual ARF Ministerial Meeting is the high point of the ARF year and sets the course for the year ahead. It is preceded by a Senior Officials Meeting (SOM). The SOM for its part follows on from two annual Intersessional Support Group (ISG) meetings that focus on the ARF’s confidence building and preventive diplomacy agenda. Additionally, Intersessional meetings (ISMs) are conducted on an ad hoc basis around particular security themes. The current ISM focuses on counter-terrorism and transnational crime (CTTC). Bangladesh as a dialogue partner of ARF participated actively in all its efforts on counter-terrorism and CTTC. However ASEAN and Bangladesh should be the partners to expand their horizon on trade and investment by institutionalizing their economic relations more effectively. The existing functional cooperation between ASEAN and Bangladesh can then be extended to other areas, namely, finance and banking; food, agriculture and forestry; industry, minerals and energy; transportation and communications; and trade and tourism. Institutional aspects will be important in determining the future of ASEAN, including its external relations.
Bangladesh has already introduced a "Look East" policy in its foreign policy agenda in 2002, which was a positive step in exploring itself towards its eastern horizon, namely its Southeast and East Asian neighbors. Through 'Look East' diplomacy it is argued that a new dimension is evident in Bangladesh's foreign policy. With this policy Bangladesh is aimed at its eastward trade expansion to reduce its dependence on India. Dhaka is more concerned over Delhi's unwillingness to reduce Bangladesh’s trade deficit, which has now crossed $1 billion.

Bangladesh gives special emphasis on expansion of trade and investment, agriculture, tourism, and communication, transfer of technology with APT states under this new policy thrust of 'Look East' diplomacy. Its foreign policy aspiration of engagement with ASEAN and East Asian states is part of clear recognition of strategic and economic importance of the region to Bangladesh's national interests. While remaining committed to SAARC, Bangladesh should look beyond it for partnership and cooperation with ASEAN and its dialogue partners.

The long awaited Asian-highway project, if implemented through Chittagong, Coxes Bazar of Bangladesh and Myanmar, would ease heavy pressure on Chittagong Port and businessmen would immensely benefit from it. That is why the Bangladesh government is planning to implement the 65,000 kilometer road project through this route. Bangladesh would be linked 15 countries with the proposed road network. The Asian Highway project was first launched in 1959 under UN Economic and Social Commission for Asia and Pacific (ESCAP). Its main purpose is to increase regional and international cooperation between Asia and Europe via Turkey and to set transportation, infrastructural progress for socio-economic development of many countries in the region. Bangladesh became a member of the highway project from the very beginning. A total of 31 countries are associated with this project. Research Director of Bangladesh Institute of Development Studies (BIDS) in his key notepaper at the roundtable discussion said that a good regional transport is a pre-requisite for effective participation in a global supply chains and development of sub-regional growth zones (The Daily Star, 12 January 2010). Globalization has led to rapid expansion of the regional economies in East and Southeast Asia at a faster speed than the world average and so establishment of Asian Highway network is a demand of the day.

The easier communication between Myanmar and Bangladesh under the Asian Highway framework would definitely help reduce transportation cost, time, price of goods, increase reliability of deliveries and mobility, attract tourist, and restore people-to–people interaction. No goods are reaching Yangon and Dhaka via Bangkok or Singapore. Eighty percent of imported goods of Bangladesh come through Singapore in feeder vessel. Asian highway may ultimately lead to a land link with the Kunming province of China. It will also be helpful for creating a business corridor from Bangladesh’s Chittagong port upto China’s Southern province. Through Arakan trunk road, Bangladesh can easily reach Yangoon. Bangladesh, one of the most thickly populated country of the world surrounded by massive India from 2.85 sides finally made up its mind to join Asian Highway. It is only geographical reality that the road may get into Bangladesh from India to get out on the other side to India. Consequently India may indirectly get the benefit of transit. But by that Bangladesh gets linked with the rest of Asia and rest of the
world. It is a healthy sign that Bangladesh government has finally decided to link Bangladesh to 27 countries through the proposed Asian Highway network.

Inter-regional cooperation between ASEAN and Bangladesh which is the best way to safeguard developing countries’ interests especially, in view of the deadlocked North-South talks being prominent in the failure of the World Trade Organization (WTO) to reach an agreement in its summit with regard to agricultural issues (The Daily Star, 2009). Therefore, it is felt that both short and long-term economic goals might be serviced by a formal relationship with ASEAN. Within the East Asian region it is noticed that Bangladesh is stepping up its efforts so that it could be counted as a factor in East Asian region’s economic affairs and economic cooperative approach in the form of APT that is visible through export-import relations.

The look east policy is considered as the result of Dhaka’s frustration over the slow progress of SAARC and continuous tension between India and Pakistan that stalled SAARC’s activities (Kalam, 2002). Instead of a single image of East Asian countries that prevails, there is plurality of inter-connected images through which the Bangladeshi elite has constructed its policy towards the East Asian region. Four images are the most popular; such as 1) an important factor in Bangladesh’s strategy 2) a zone of economic opportunity 3) a role model and 4) a region of cultural and civilization confluence. But the first two, the most relevant for this paper has been explored here. They also help understanding Bangladesh’s policy towards the region within the larger ambit of Bangladesh’s perceptions.

Challenges and Prospect of New Partnership

Traditionally, Bangladesh has had very close commercial and other links with most of the ASEAN member countries due to her geographic as well as strategic proximity. These contacts have been reinforced through Bangladesh's participation in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMST-EC) and Asia Cooperation Dialogue (ACD) where Bangladesh has been active as a founding member.

With ASEAN’s eastward expansion to include Myanmar, Bangladesh and ASEAN are no longer just maritime neighbors, but also share over 193 km of a land boundary. Bangladesh’s willingness to be a dialogue partner of ASEAN and a member of the ASEAN Regional Forum (ARF) is significant in considering this region as a pivot for its strategic interests. Bangladesh’s increasing defense cooperation, particularly in regard to coast guard and naval issues, with individual APT countries (including Indonesia, Malaysia and China), is the larger element of a strategic dialogue that may enable Bangladesh to participate in the regional process of East Asia on the basis of common security interests.

Thus ASEAN is emerging as an important player in Bangladesh’s view of Asia and its future, especially in the construction of a security order that will be in Bangladesh’s interests. The emerging APT process could provide space for Bangladesh to ensure its security interests in Asia, though not only because the view of the Asia-Pacific as a zone of increased threats, potential turbulence and great power rivalries, is gaining currency in Bangladesh. The APT is
also seen as potentially sharing a range of common security concerns, including those related to issues as diverse as energy, economics and sustainable development. There is no doubt that Bangladesh and ASEAN find themselves as a land bridge between South Asia and Southeast Asia, with further credence and business significance added by the proposed transnational highway and rail-lines between Bangladesh and Southeast Asian countries. The Strategic location of Bangladesh provides it with a legitimate claim to play its due role for greater interaction in the Southeast- and East Asian regions.

Bangladesh’s participation in ASEAN and ARF was originally proposed in 1998. However, Bangladesh's candidature was discussed neither at the Senior Officials Meeting (SOM) of the ARF of May 2004 in Jakarta nor at the 37th ASEAN Foreign Ministers' Meeting (AMM) in Jakarta in July 2004 - at which Pakistan was admitted. However, Bangladesh became the 26th member of the ASEAN Regional Forum (ARF) in July, 2006 with the country being officially granted membership at the inaugural session of the forum's 13th ministerial meeting in Kuala Lumpur (Ministry of Foreign Affairs, 2009).  

Bangladesh has liberalized its economy progressively over the last decade, so that there exists enormous scope for the ASEAN states to increase trade and investment links with it. Bangladesh will have to negotiate preferential access to the APT states and should not lag behind India who has already done so at the meeting of November 2002. However, with the "Look East" policy introduced in its foreign policy agenda in 2002, Bangladesh has made a constructive step in exploring its eastern horizon, namely its Southeast and East Asian neighbors. Under this policy, special emphasis is given to the expansion of trade and investment, agriculture, tourism, and communication, the transfer of technology, facilitation of multi-modal transportation links, cooperation in IT infrastructure, cultural cooperation, human resource development etc. with APT states. The 'Look East' diplomacy is aimed at eastward trade expansion to reduce Bangladesh’s dependence on India: Dhaka is obviously concerned over Delhi’s unwillingness to reduce Bangladesh’s trade deficit, which has now crossed $ 1 billion. However the look east philosophy should not agitate India, because agitated India could squeeze Bangladesh in many ways. Bangladesh should make a balance between its good neighboring policy with India and its thrust of diversifying relations with Southeast Asian nations via ASEAN.

Another vital aspect of Bangladesh’s strategy may be termed “physical connectivity” to Southeast Asia. The Mekong-Ganges Cooperation Initiative (MGCI) comprising Laos, Cambodia, Thailand, Myanmar Vietnam and India is aimed at developing close relations and better understanding among the member countries to develop transport networks, in particular the East-West Economic Corridor (EWEC), and the ‘Trans-Asian Highway’. The latter project was first launched in 1959 under the UN Economic and Social Commission for Asia and Pacific (ESCAP) to increase regional and international cooperation between Asia and Europe via Turkey, and to establish transportation and infrastructure for socio-economic development of countries in the vicinity (Karim, 2003). A total of 31 countries are associated with this project. Bangladesh has been a member of the highway project from the very beginning. The Asian Highway would link Bangladesh to 15 countries, give better access to Southeast Asia, and would ease pressure on the Chittagong Port, with immense benefit to business. India is also hopeful that
the mega project of Asian Highway will bring Bangladesh and India closer if Bangladesh agrees to provide transit facilities to India. The advanced highway network would provide for greater trade and social interactions between South Asian and Southeast Asian countries.

Bangladesh has been trying to improve bilateral ties with ASEAN countries through certain regional and sub-regional forums such as the Bay of Bengal initiatives for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC-EC), the ARF, the Bangladesh –China- India-Myanmar Forum etc. The Myanmar government’s renewed interest in the tri-nation network has breathed new life into the prospect of a wider window of relations with its Southwest Asian neighbor. The earlier proposed idea of building a 25-kilometre road link between the two countries was a leap forward towards developing a stronger bond of relationship between the two neighbors.26 The 16th ARF meeting held in July 2009, Phuket, the security arm of ASEAN, aimed at fostering constructive dialogue and consultation on political and security issues of common interest and concerns and making notable contributions to the efforts on confidence-building and preventive diplomacy in Asia-Pacific region.

Bangladesh’s foreign policy aspiration of engagement with ASEAN and East Asian states is part of a clear recognition of the strategic and economic importance of the region to its national interests. While remaining committed to the South Asian regional grouping SAARC and maintaining good relations with India,27 Bangladesh should look beyond it for partnership and cooperation with ASEAN member states both at the bilateral and multilateral levels. What Bangladesh has failed to achieve in SAARC might be obtained by an eastward regional trade opening.

**Conclusion**

The concluding remarks focus on the trends generally visible in the regionalization of East Asia and the options for Bangladesh and ASEAN in the context of the evolving comprehensive regional process. With forces of diversity and fragmentation greatly strengthened by ASEAN’s expansion and fall-out from the economic crisis, the importance of the ASEAN has been well-understood by the members and neighboring states.28 One important desire of East Asian countries is to survive the huge web of globalization through a regional mechanism like ASEAN. Thus, Japan has been encouraging development of East Asian regionalization namely East Asia Summit (EAS) with leading Chiang Mai Initiative (CMI), Asian Bond Market Initiative (ABMI) and other financial cooperation, and by proposing an East Asian Business Area, and so on. Optimism and skepticism in ASEAN countries about China, ASEAN’s strategy to tighten ties with both Japan and China for revitalizing their economies and ASEAN’s intention to prevent any major powers from dominating Southeast Asia are all currently visible in the dynamics of the East Asian regional process. Moreover, ASEAN countries’ positive attitudes to closer relationship with India and Bangladesh indicate that they are searching for their partners not only in Northeast Asia but also in South Asia, which will open the door for other South Asian countries like Bangladesh to join the East Asian regional process as a future partner. Perhaps EAS and other dialogue and confidence-building processes, can ease this transition and help to
blunt the sharp edges of changing regional circumstances, as well as contribute positively to the growth of East Asian regionalization.

The evolution and progress of relations between Bangladesh and ASEAN are possible within the framework of economic realism. Regionalism or regionalization presents one means to help redirect beneficial global capital to the region in question through the carrot of the single regional market. As the previous discussion has shown, corporate actors are likely to respond positively to the presence of regional markets when deciding where to invest. In such instances, open regionalism is driven less by narrower concerns with economic efficiency and more by concerns with attracting FDI, which is a key source of economic growth for many countries of Southeast, East and South Asia. Engagement in regional cooperation with East Asia, namely ASEAN or EAS, thus would allow the Bangladeshi government to gain functional preference of global capital for regional markets. Bangladeshi policy-makers are likely to respond with a policy of regionalization to external developments that are seen as having the potential to divert investment away from the national economy, provided they recognize the potential of regionalization in retaining or attracting production capital. They may become aware of the potential of regionalization as a magnet for FDI once they realize that foreign investors are registering strong interest in and are actually investing in regionalist projects established elsewhere. This is the contagion explanation of regionalism highlighted by Ravenhill.

In keeping with the notion of economic realism, this study shows national interests of the ASEAN countries and Bangladesh particularly focusing on “Asian Way” which plays an important role even in the formation of a regional framework in East Asia - where state’s sovereignty still matters greatly. Bangladesh’s relations with ASEAN will be determined by a mix of factors, such as Bangladesh’s general foreign policy concerns, i.e. the maintenance of its autonomy and territorial integrity, its relations with India and with other major powers and its traditional allies in addition to the East Asian countries’ close understanding of the significance of Bangladesh as a partner in the future.

ASEAN might end up with more clout and in time to come, it might earn its rightful place in the regional economic and security framework or in the ongoing regional process as this regional process has the potentiality to become a dominant regional organization in East Asia. ASEAN’s importance within the region seems self-evident especially after the East Asian economic crisis of 1997. It is at this juncture that Bangladesh and ASEAN have articulated their growing interest in the dynamic regionalization process of East Asia as well as expressed their desire to plug into the region-wide economic cooperation effort. ASEAN-Bangladesh relationship is obviously a building block, heralding closer relations with countries belonging to different regional blocks such as Asia-Pacific Economic Cooperation (APEC), BIMSTEC and South Asian Association for Regional Cooperation (SAARC), all sharing the vision of free trade and economic development. Moreover Asian Highway can add a momentum in these entire regional endeavors through which Chittagong and Mongla Ports of Bangladesh can earn huge foreign exchange by converting the country into a regional hub. Bangladesh can separate its priorities in its collective approach via BIMSTEC and can also strive for more one-to-one ASEAN-Bangladesh relations.
In conclusion, it is apt to consider the ASEAN-Bangladesh relationship as an important instrument to keep the momentum of market-driven economic development, avoid exclusive regionalism, and promote a well integrated world economy. Due to Rahingya refugee and heightened maritime boundary problems to get access to maritime resources at the Bay of Bengal between Bangladesh and Myanmar as well as between Bangladesh and India respectively, it is necessary to pave the way for cooperation among these countries to solve the problems through regional organization where both ASEAN and SAARC can play crucial role for peaceful co-existence by avoiding conflicts. Convergence of ideas and interests would ensure that ASEAN and Bangladesh relations could grow rapidly in the future. The economic realist approach still guides the ASEAN-Bangladesh relations and the regional dynamism in East Asia. Thus, ASEAN’s relationship with Bangladesh is crucial, in the perspective of South-South cooperation, to address new challenges such as the linkage of social (i.e. democracy, environmental protection, human rights protection and labor conditions) and trade issues brought up by the Developed Countries.

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