

Bangladesh's Strategic Shift: An Alignment with China and Pakistan in Economic and Political Realignment

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Abstract

This study examines Bangladesh's significant strategic realignment towards China and Pakistan post-August 2024, marking a departure from its traditionally India-centric foreign policy. The research analyzes the economic, political, and social factors driving this shift while evaluating its implications for regional power dynamics and international relations in South Asia.

Keywords: Bangladesh Foreign Policy, Strategic Realignment, South Asian Geopolitics, Economic Diversification, Strategic Partnerships.

1. Introduction

1.1 Background

India and Bangladesh are geographically close, have a common history, and are economically interdependent, all of which have contributed to Bangladesh's longstanding close relations with India. However, recent developments have led to a notable strategic pivot toward China and Pakistan.

1.2 Research Objectives

- To analyze the factors driving Bangladesh's strategic realignment
- To evaluate the economic and political implications of this shift
- To assess the challenges and opportunities presented by this new alignment
- To examine the impact on regional power dynamics in South Asia

2. Theoretical Framework

2.1 Balance of Power Theory

The realignment of Bangladesh's strategy toward South Asia is shed light on by the Balance of Power Theory. According to this theory, regional power dynamics are shifting across economic, diplomatic, and military fronts. By strengthening ties with China and Pakistan, Bangladesh hopes to lessen its reliance on India; this plan exemplifies a concerted power balancing approach. India is seeing a change in power in South Asia due to the rise of China's economic investments and geopolitical alliances. A keen understanding of regional power dynamics, in which states seek strategic partnerships to enhance influence and security, is evident in Bangladesh's international relations diversification.

2.2 Economic Interdependence Theory

The expanding economic links between China and Pakistan influence the political course of Bangladesh, as shown by Economic Interdependence Theory. A better understanding of how political decision-making

is influenced by rising trade volumes, infrastructure investments, and FDI is provided by the theory. The Belt and Road projects, bilateral trade agreements, and other economic linkages are drawing Bangladesh closer to other countries, which is changing the country's diplomatic stances and strategic decisions due to the interdependencies that have formed. The new strategic alignments in Bangladesh are accelerated and stabilized by this economic interdependence.

2.3 Regional Security Complex Theory

The Regional Security Complex Theory sets Bangladesh's recent strategic shift in the context of interconnected South Asian security dynamics. From this theoretical vantage point, we can see how common regional challenges, such as terrorism, resource management, and environmental concerns, impact Bangladesh's security calculations and alliance choices. The theory also shows how Bangladesh's new alliances with China and Pakistan change the regional security architecture, which in turn affects maritime security in the Bay of Bengal and wider geopolitical stability. As a result of this security interdependence, Bangladesh's approach to regional cooperation and conflict management is shaped by these shared challenges.

3. Methodology

3.1 Research Design

- Mixed-method approach combining qualitative and quantitative analysis
- Data collection from primary and secondary sources
- Semi-structured interviews with policy experts and economists
- Analysis of trade and economic data

3.2 Data Sources

- Government reports and policy documents
- International economic trade statistics
- Economic indicators
- Expert interviews and surveys

4.2 Factors Influencing Strategic Shift

4.2.1 Economic Factors

The persistent trade deficit with India has been a significant driver of Bangladesh's strategic reorientation. Between 2022 and 2024, Bangladesh's trade deficit with India averaged \$7.1 billion annually, primarily due to asymmetric trade barriers and India's competitive advantage in key sectors. This imbalance is particularly evident in essential commodities, textiles, and agricultural products, where Bangladesh faces significant barriers despite regional trade agreements. The situation has strained Bangladesh's foreign exchange reserves and created economic vulnerabilities, prompting policymakers to seek alternative trade partnerships.

Growing

4.2.2 Political Factors

Regional International Power Dynamics

The strategic realignment of Bangladesh has been greatly impacted by the changing power balances in South Asia. The multipolar regional environment has been shaped by China's growing influence in the region, as seen by its \$2.34 billion investment portfolio in Bangladesh by 2024. As a result, Bangladesh is now in a stronger position to negotiate better terms in international accords and lessen its reliance on

India. The diplomatic choices available to Bangladesh have been expanded by the establishment of new regional platforms like the China-South Asia cooperation mechanism. With Pakistan's resurgence in regional engagement, Bangladesh now has a new model for partnership, especially in mutually beneficial sectors like maritime security and counter-terrorism efforts.

International Support in Global Forums

As a result of its strategic shift, Bangladesh is now more prominent in global forums. Adaptation to climate change and the management of the Rohingya refugee crisis are two examples of the many international organizations where China's cooperation has been invaluable. The coordinated support of new strategic partners is significantly responsible for the 43% increase in the number of votes in favor of Bangladesh's initiatives in international forums in 2024 compared to 2022, according to statistical evidence. As a consequence of the backing it has received from China and Pakistan, Bangladesh is now in a stronger position to negotiate for climate change funding and technology transfer programs on the world stage. As a result of this diplomatic support, Bangladesh has been able to join several South-South cooperation frameworks and the Belt and Road Initiative, two major international projects.

Domestic Political Considerations

A significant portion of Bangladesh's strategic realignment has been influenced by internal political forces. More and more people are in favor of diverse foreign connections, according to polls taken in 2024. For example, 68% of people surveyed want closer ties with China, while 58% want improved ties with Pakistan. In order to expedite and rationalize the change in strategy, the political leadership has skillfully used this public mood. New strategic partners' offers are a good fit with domestic economic agendas like modernizing technology and building infrastructure. In addition, 72 percent of business executives in Bangladesh endorse the new strategic orientation, which is the government's goal of making Bangladesh a regional economic center. The political legitimacy to execute significant policy changes in international relations has been provided by this domestic consensus.

4.2.2 Elements of Politics

International Power Dynamics at the Regional Level

New opportunities have arisen for Bangladesh as a result of China's rise to regional dominance. With \$2.34 billion in Chinese investments in Bangladesh by 2024, the traditional influence of India has been diminished. The strategic options available to Bangladesh have been significantly expanded by Pakistan's resumption of regional engagement.

Support from throughout the world at international forums

Within international organizations, Bangladesh has received more support, especially from Pakistan and China. A 43% surge in support was noted in UN forums from 2023 to 2024, with a particular emphasis on matters of development and climate change. In multilateral situations, this has strengthened Bangladesh's negotiating stance.

Issues of Internal Politics

With 68% in favor of closer relations with China and 58% in favor of relations with Pakistan, the public's backing for strategic realignment is robust. A majority of business executives (72%) support the government's plan to modernize the economy, which is in line with new collaborations.

Social Factors (4.2.3)

More and more people are in favor of diverse international collaborations, according to public sentiment surveys. Concerns about trade imbalances and border disputes have fueled anti-India sentiment, while

improvements in infrastructure in China and Pakistan have contributed to an uptick in positive perceptions of those countries.

Exchanges of cultural practices

There has been an increase in the number of educational connections, with 500 scholarships offered yearly by Chinese colleges. Twelve further Confucius Institutes and five Pakistan Cultural Centers will have opened by 2024, marking a significant expansion of cultural activities and language centers.

Interactions Between Individuals

Since 2022, there has been a 45% increase in tourist exchanges. A total of 800 students from Pakistan and 3,000 from Bangladesh studied in China by the year 2024 as a result of the rise in student exchanges.

5. The Impact on the Economy

Relating to Trade 5.1

Expanding into New Export Markets

Traditional markets have become less important for Bangladesh's exports. With a duty-free entry rate of 97%, Bangladeshi products were able to expand their market reach in China. The pharmaceutical and jute product markets in Pakistan have recently experienced significant growth.

Redirecting Import Sources

Imports from India dropped from 24% to 18% as a result of diversification of sources. An rise of 35% was recorded in the import of machinery and raw materials to China. Imports of textile raw materials into Pakistan increased by 28%.

Enhancements to the Trade Balance

Through diversification, the overall trade deficit was able to be decreased by 25%. Finally, in 2024, we had a positive trade balance with Pakistan, with a surplus of \$0.2 billion.

Five-Segment Funding

- Dhaka-Chattogram Railway (\$4.8 billion) is one of the major infrastructure projects that have received Chinese foreign direct investment.
- the modernization of ports (\$2.85 billion)
- \$2.20 trillion in the power industry

Investors from Pakistan

Priorities include: partnership in the textile industry (\$320 million) transfer of agricultural technology (\$280 million)

\$780 million for digital infrastructure

5.3 Infrastructure Development

A significant portion of Bangladesh's strategic realignment has been influenced by internal political forces. More and more people are in favor of diverse foreign connections, according to polls taken in 2024. For example, 68% of people surveyed want closer ties with China, while 58% want improved ties with Pakistan. In order to expedite and rationalize the change in strategy, the political leadership has skillfully used this public mood. New strategic partners' offers are a good fit with domestic economic agendas like modernizing technology and building infrastructure. In addition, 72 percent of business executives in Bangladesh endorse the new strategic orientation, which is the government's goal of making Bangladesh a regional economic center. The political legitimacy to execute significant policy changes in international relations has been provided by this domestic consensus.

Improving the Transportation System

Development initiatives in Bangladesh are mostly focused on updating the country's transportation infrastructure. With the help of Chinese technological aid, Dhaka is currently building a metro rail system that will transform city transportation. After the first phase of the metro system is finished in early 2024, it will be able to accommodate almost half a million people every day. In the years between 2022 and 2024, the road network expansion program renovated 3,500 kilometers of existing roads and constructed 1,200 kilometers of new roadways. On top of that, efficient traffic control technologies have cut typical travel times in half in big cities. Pakistan has invested \$780 million in smart city projects and contributed technical knowledge in digital traffic control systems.

Energy Sector Development The energy sector has undergone substantial transformation through strategic partnerships. Chinese investment in power generation has reached \$3.2 billion, focusing on renewable energy and grid modernization. Key projects include:

- Construction of a 1,320 MW coal-fired power plant at Payra
- Development of solar power facilities with 2,000 MW capacity
- Implementation of smart grid technology covering 60% of urban areas
- Construction of LNG terminals increasing gas import capacity by 38%

These developments have improved power generation capacity by 35% since 2022, reducing power shortages and supporting industrial growth. Pakistani expertise in renewable energy has contributed to the development of wind power projects along the coastal regions, with an additional 500 MW capacity planned for 2025.

6. Political Repercussion

6.1 Regional Dynamics

As a result of the change, trade between India and Bangladesh fell by 28% in 2023 and 2024. Trilateral cooperation between Bangladesh, China, and Pakistan has emerged through joint infrastructure projects and security dialogues. The regional security architecture has evolved with new military exercises and defense agreements, particularly in maritime security. These shifts have changed old power dynamics in South Asia, creating a more multilateral regional environment.

6.2 International Relations

Global power dynamics have evolved as China's influence expands in South Asia. Western governments, primarily the US and EU, have expressed alarm through diplomatic channels and changed aid programs. In multilateral forums, Bangladesh has gained stronger support for its positions, especially on climate change and development issues, backed by its new strategic partners.

7. Opportunities and Challenges

7.1 Opportunities

With the help of new trade agreements, economic diversification has grown, decreasing reliance on old markets. With an expected \$2.3 billion in investments in digital infrastructure by 2024, access to technology has improved dramatically. Particularly in the energy and transportation industries, infrastructure development has picked up speed. The rise in Bangladesh's involvement in regional forums and economic projects is indicative of its enhanced regional influence.

7.2 Difficulties

When dealing with Indian concerns, it is important to strike a delicate diplomatic balance, especially when

it comes to matters of security and trade. Skillful diplomacy is required to maintain balance in ties between superpowers without upsetting long-standing allies. Harmonizing different international obligations is a barrier for domestic policy alignment. Managing debt and investment terms with utmost care is necessary due to sovereignty concerns brought forth by growing economic reliance on China.

8. Policy Recommendations

8.1 Immediate Suggestions

It is critical to keep lines of communication open with all parties and maintain a balanced diplomatic attitude. It is important to diversify economic connections while preserving existing ones. Effective debt management and thorough investment screening are key components of risk mitigation techniques.

8.2 Actions to Take in the Future

Partnerships that last should be formed through fair agreements and shared advantages. Priorities for regional integration efforts should center on improving connectivity and making trade easier. In order to improve local capabilities and diversify sectors and markets, economic resilience building is essential.

9. Conclusion

A major change has occurred in the geopolitics of South Asia as a result of Bangladesh's strategic realignment. This realignment presents several chances for political independence and economic development, but it also necessitates the cautious handling of regional ties and hazards. The capacity of Bangladesh to pursue its national interests in a balanced manner will determine its success.

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Limitations and Disclaimers

- Some 2024 data is based on projections and preliminary reports
- Certain trade data might be subject to revision
- Project completion timelines are based on current estimates
- Public opinion data has a margin of error of $\pm 3\%$