

## Bangladesh Crisis and its Impact on India

### Why in News?

In Bangladesh, Sheikh Hasina had resigned as Prime Minister and fled the country as the army took control.

### What are the reasons for crisis in Bangladesh?

- **Political causes** - Consecutive elections in 2014, 2018, and 2024 were *allegedly rigged* with the opposition either boycotting or being forced out of the contest following crackdowns.
- **Undemocratic governance** - The *personal authoritarianism* of Hasina, once seen as an icon for democracy, has grown steadily over the years
  - Mass arrests of political opponents, activists, and dissidents
  - Forced disappearances and alleged extrajudicial killings
  - Crackdown on press freedoms, NGOs, and critics, including Nobel laureate Muhammad Yunus.
- **Biased quota system in jobs** - In a time of economic distress and acute job scarcity, the restoration of a *30% quota* in coveted government jobs *for freedom fighters and their progeny*.
- It unleashed waves of protests by students and young people.
- **Infiltration of terrorist forces** - The ranks of the protesting students had been infiltrated by cadres of the Jamaat-e-Islami and other Islamist forces.
- **Impact of Covid pandemic** - It had hit the Bangladeshi economy hard and stalled its celebrated growth model.
- **Economic crisis** - The collapse of demand abroad *impacted Bangladesh's textile and garment industry*, the engine of its manufacturing-led growth.
- The current rate of *inflation is close to 10%*.
- **Decreasing FOREX** - Since 2022, the Bangladeshi taka has depreciated more than 40% against the dollar, and its *reserves of foreign currency have more than halved*.
- **Increasing debt** - Its total external *debt had crossed \$100 billion by the end of the 2023*.
- **Role of external powers** - Some experts blame China and Pakistan for the unrest, suggesting they want to end Hasina's moderate Islamic rule.

### How India-Bangladesh relations fared under Hasina government?

- **Political relations** - Since 2009, Sheikh Hasina has been a *key ally for India* and fostered economic, social, and cultural ties.
- **Security** - Her tenure saw *eradication of anti-India terrorist groups* and this has helped bring relative peace to India's Northeast.
- **Boundary dispute settlement** - *Maritime and land boundary* issues were resolved.

- **Economic ties** - *Bangladesh is India's biggest partner* in the subcontinent and India is Bangladesh's second biggest partner in Asia after China.
- **Infrastructure & Connectivity** - India has also emerged as a major source of power for Bangladesh.
- India extended three lines of credit worth \$8 billion for infrastructure development since 2016.
- Joint projects include the *Akhaura-Agartala cross-border rail link* and *Khulna-Mongla Port rail line* has significantly reduced travel time and boosted tourism and trade.

### What are the impacts on India?

- **Political implications** - Her departure after a 17-year tenure means that India has *lost a trusted partner* in the region.
- India would face some questions from the new regime in Dhaka about giving refuge to an unpopular leader and there is a real risk of *blowback from the Bangladeshi people* as well.
- India's backing of her, despite allegations of rigging in elections, has been a bone of contention between India and the West.
- **Potential refugee influx** - Instability in Bangladesh could lead to an influx of refugees into India, posing a security challenge.
- **Security issues** - Fear of a *return to Islamist radicalism* in its eastern neighbourhood.
- When Opposition parties in Bangladesh have ruled the country, India has had an unpleasant experience with *anti-India terror outfits* operating across the India-Bangladesh border.

*The LoC and the border with Pakistan is hot again, and the Indian Army is in a long standoff with the PLA in eastern Ladakh. The Myanmar border is also extremely volatile.*

- **Economic implications** - There is a *possibility of stalling the free trade agreement (FTA)* between India and Bangladesh.
- It could jeopardize growing trade ties and restrict movement of people and goods.
- Indian manufacturing and infrastructure companies having business or project operations or supply linkages therein are likely to witness *some disruption and uncertainty* in the near term.
- On a positive front, it could result in a short-term shift of garment orders to India but India wishes for the normalcy to return.

### What lies ahead?

- India should *move beyond romanticizing the 1971 liberation* of Bangladesh and should *express its readiness to engage with a successor government*.
- India as a vibrant multi-party democracy, *should support the expression of popular will* in a sensitive neighbouring country.
- This may also go some way in diluting the negativity born out of the admittedly close relations between the two governments and Indian and Bangladesh leaders.

- Avoid the temptation to brand the ongoing political change as anti-India or anti-Hindu.
- India needs to take proactive measures to *mitigate the impacts of the crisis* and ensure continued economic stability and growth.

## References

1. [The Indian Express| Causes of Bangladesh Crisis](#)
2. [The Indian Express| Challenges for India](#)

