

US & SOUTH ASIA - ARTICLES

#2047, 23 June 2006

US- BANGLADESH RELATIONS: RECENT DEVELOPMENTS

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The participation of Bangladeshi troops in the 1991 Gulf war coalition and in numerous UN peacekeeping operations has helped strengthen relations between the United States and Bangladesh. Clinton was the first US President to visit Bangladesh in March 2000. Simmering tensions between the main political parties, persistent violence against religious minorities and the threat posed by radical fundamentalism to the secular fabric of the country has forced the US to reevaluate its immediate priorities vis-a-vis Bangladesh. How have relations progressed since Clinton's visit and what are the developments that have taken place recently?

Clinton's visit was followed by the Secretary of State Colin Powell in June 2003 and the Secretary of Defense Donald Rumsfeld in June 2004; in March 2006, President Bush also visited Bangladesh. These visits in the last two years by important officials of the US Government indicates the renewed interests of the US in Bangladesh. Crucially, for the US, Bangladesh is an important ally in the Global War on Terrorism and thus, has attempted to address problems of money laundering and weak border controls to curb terrorist activities. Nicholas Burns, the Under Secretary of State, during his visit in July 2005, expressed US appreciation for Bangladesh's participation in UN peacekeeping missions and its role in the war against terrorism. The focus was on the efforts made by Bangladesh authorities to protect minorities, including Ahmadiyyas, whose homes and places of worship were attacked in recent months by extremists. Bangladesh's widespread poverty, educational shortcomings, endemic corruption, porous borders, and lack of public faith in elected governments have possibly increased the attractiveness of radicalism. Although the Bangladesh government has acted against some extremist groups, it has not achieved complete success.

Another important issue on the agenda was good governance. The US wants all political parties to participate in tackling corruption and ending political violence which has been on the rise lately. This was endorsed by Stephen Engelken, the Director of the Office of Pakistani and Bangladeshi Affairs at the State Department who praised Bangladesh for the recent economic progress and its many sacrifices for democracy, but insisted that it should try to preserve democratic institutions and hold free and fair elections. Significantly, he also added a note of caution that Bangladesh could expect excellent future relations with the US as long as it dealt with Islamic Terrorism and maintained popular support for democracy.

A bilateral investment treaty, signed in 1989, created a momentum for trade between both countries. The centerpiece of the bilateral relationship has been the large US economic aid program totaling about \$100 million in 2001. Readymade garments and jute carpets are major imports from Bangladesh. The total imports from Bangladesh was about \$2 billion (excluding services) in 2003, slightly lower than the \$2.1 billion in 2002. US exports to Bangladesh (some \$226 million, excluding services in 2003) include wheat, fertilizer, cotton, communications equipment, aircraft, and medical supplies, a portion of which are financed by the US Agency for International Development (USAID). In total, the United States has provided more than \$4.3 billion in food and development assistance to Bangladesh. Food aid under Titles I, II, and III of PL-480 (congressional 'food-for-peace' legislation) has been designed to help Bangladesh meet minimum food requirements, promote food production and moderate fluctuations in consumer prices. Other US development assistance revolves around family planning and health, agricultural development and rural employment. US economic and food

aid programs, which began as emergency relief following the 1971 war for independence, now concentrate on long-term development. The objective of the US assistance includes stabilizing population growth, protecting human health and encouraging broad-based economic growth.

An important trade related issue between the two countries is the export processing zones (EPZs). The Bangladesh Government provides several tax, foreign exchange, customs and labour incentives to investors in the EPZs. One such incentive provided in recent years was an exemption from certain labor laws, which had the effect of prohibiting trade unions from the zones. The US Generalized System of Preferences (GSP) law required the beneficiary country to satisfy certain conditions relating to labour rights. Hence, 13 on July 2004, the Bangladesh Government passed a bill allowing limited trade unionism in the EPZs effective from 1 November 2006. Such incidents have demonstrated the strength and importance of ties between Bangladesh and the US.