

Bangladesh and the 2024 elections From 'basket case' to rising star

SUMMARY

Strategically located in the heart of the Indo-Pacific region, and almost completely surrounded by India, Bangladesh has the eighth biggest population in the world. In the 50 years following its breakaway from Pakistan, Bangladesh has made spectacular economic and social progress. Once one of the world's poorest countries, with the US administration calling it a 'basket case' when it became independent, Bangladesh is now due to graduate from least-developed country (LDC) status in 2026. The government aims to end absolute poverty and graduate to higher middle-income status by 2031, and to eradicate poverty and become a developed nation by 2041.

While agriculture is the main source of employment, the country has become the world's second producer of garments, which account for 80 % of the country's exports, mostly directed to the EU and the US. The country receives a high level of remittances from its diaspora.

The largest contributor of troops to United Nations (UN) peacekeeping missions, Bangladesh has been able to maintain a strategically balanced approach among world powers. The country has become a symbol of humanitarianism in the framework of the Rohingya Crisis. The EU and Bangladesh cooperate mainly in areas such as economic development, human rights, good governance and the environment, and have launched negotiations on a new partnership and cooperation agreement to replace the 2001 cooperation agreement.

The state of human rights and democracy in Bangladesh has however attracted the attention of the international community. The European Parliament has repeatedly expressed concern regarding the country's human rights situation. The mass arrests of opposition leaders and activists ahead of the elections to the unicameral parliament scheduled for 7 January 2024 appear to point to democratic backsliding. The elections have been boycotted by the opposition, and seem likely to deliver a fourth consecutive mandate to Prime Minister Sheikh Hasina.



Sheikh Hasina and Ursula von der Leyen at the Global Gateway Forum, Brussels, October 2023.

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Introduction

Located in the eastern part of south Asia, Bangladesh's southern part meets the Bay of Bengal (north-east Indian Ocean), and the Ganges Delta. The rest of the country is almost completely surrounded by India which has never completed the-long planned construction of fences along the 4 000 km border – while a tiny part borders Myanmar's Rakhine State, home to the Rohingya people. According to the 2022 census, Bangladesh has a population of 165 million (ranking it eighth in the world). According to the Ministry of Expatriates' Welfare and Overseas Employment, 13 million people have emigrated in the last 50 years, making Bangladesh one of main countries of origin international migrants. The main countries of destination for overseas Bangladeshi workers are the **Gulf countries** (in particular Saudi Arabia). In the EU, since Brexit, Italy has become their top destination (135 000 people in 2021).

Figure 1 – Map of Bangladesh



Source: EPRS.

There is no provision for expats to vote in Bangladeshi elections. The country is mostly Muslim (91%), with Hindus making up the biggest religious minority (8%). In 1988, the eighthconstitutional amendment to the Constitution declared Islam to be the state religion, but in 2011, a further amendment added that 'the State shall ensure equal status and equal right in the practice of the Hindu, Buddhist, Christian and other religions'. The dominant ethnicity is Bengali; ethnic minorities¹ account for 1%. Bangla (in English 'Bengali', also spoken in the bordering Indian state of West Bengal) is the state language and English is widely used. The Bengali Language Movement was at the origin of the political movement that brought the country to independence.

Population and demography

The Preliminary Report on the Population and Housing Census 2022 highlights that while the share of the urban population is increasing (23.3 % in 2011 census, 31.5 % in 2022), the country remains essentially rural (68.5 % of the population). Most of the urban increase flows to the capital Dhaka, which with 21 million inhabitants is the world's fourth largest city. The country's second largest city, Chittagong (official name since 2018: Chattogram), is also its main port. Bangladesh's population of 165 million lives in an area of 147 750 km², (slightly bigger than Greece with circa 11 million km²) making the country's population density among the world's highest (1301 people per square metre). Bangladesh is a nation of young people (47.7 % are under 25 years old), though this trend is decreasing.

Recent history

Bangladesh is a young country. When India and Pakistan emerged as independent states in 1947, it was initially incorporated into the latter, under the name 'East Pakistan'. East and West Pakistan were divided both geographically – by 1 600 km of Indian territory – and in terms of <u>priorities</u>, with all the resources of the nascent Pakistani state invested in building up the west. Bangladesh acquired its independence in December 1971 following a bloody and violent <u>war of liberation</u> from West Pakistan, marked by sexual violence (including the <u>rape</u> of hundreds of thousands of Bangladeshi

women by the Pakistani army). While India entered the war on the side of Bangladesh, the US Secretary of State at the time, Henry Kissinger, <u>supported</u> Pakistan.

Two women fighting for power

The early parliamentary era was followed by several coups and military rule. Democracy was restored in 1991. Since then, the post of prime minister has been held almost exclusively by two women: **Khaleda Zia** (born in 1945) from 1991 to 1996 and 2001 to 2006, and **Sheikh Hasina** (born in 1947) from 1996 to 2001 and from 2008 to the present. Khaleda Zia – the second female prime minister in a Muslim country after Pakistan's Benazir Bhutto – widow of former president of Bangladesh Ziaur Rahman (assassinated in 1981) is the leader of the Bangladesh Nationalist Party (BNP, founded in 1978 by her late husband). Sheikh Hasina is the daughter of the founding father and first president of Bangladesh (and later prime minister), Sheikh Mujibur Rahman (assassinated in 1975). She is the leader of the Awami League (AL), and the longest serving female leader in world (the *Economist* has named her 'Asia's iron lady'). The rivalry between the two women (who had previously cooperated under the dictatorship, and allegedly have not used their power to change the country's patriarchal culture) mirrors that between the AL and the BNP. Both Sheikh Hasina and Khaleda Zia were detained on charges of corruption in 2007 to 2008. Khaleda Zia has been serving a 10-year jail term since 2018. This has been suspended since March 2020 for medical reasons, but she cannot participate in elections.

General elections in 2014 and 2018

The 2014 and 2018 general elections took place against a background of protest at the system for the transfer of power, and pre-election violence. From the early 1990s, Bangladesh had a <u>system of caretaker governments</u> providing for the temporary (90-day) appointment of an unelected, non-partisan government to manage the general election and the transition from one elected government to the next. This is intended to prevent incumbent governments from exerting undue influence during elections. However, the last caretaker government was in place for almost 2 years (2006 to 2008) before calling elections. The caretaker system <u>ended</u> in 2011 after the Supreme Court declared it 'unconstitutional' under an AL-dominated parliament. The AL itself supported the system while it was in opposition, as it feared that the BNP government would manipulate the electoral process. In 2014, it was the BNP, now the main opposition party, that insisted, alongside other opposition parties, that the elections should take place under an independent caretaker government. The BNP boycotted the 2014 general election when this demand was not met.

The election delivered a two-thirds majority to the incumbent AL. Owing to the boycott, around half the seats in the parliament were uncontested, giving the majority to the AL party in advance. The December 2018 general election gave a third, consecutive mandate to Sheikh Hasina. Her AL party obtained a <u>landslide victory</u> and secured <u>94 %</u> of all seats in the parliament. The BNP took part in the election, but there were many <u>allegations</u> of <u>ballot stuffing</u>, where votes were already cast before the electors went to the polling stations. The BNP leader, Khaleda Zia, was *de facto* under house arrest in the days before the 2014 election and in jail during the 2018 election. Many dozens of people died in the political violence in the run-up to the 2014 election: according to a Human Rights Watch <u>report</u>, the vote was preceded by arbitrary arrests and extrajudicial executions. The run-up to the 2018 elections was also <u>marred</u> by deadly <u>violence</u>.

Run-up to the 2024 general elections

In the run-up to the 2024 elections, the opposition parties have once again demanded that the current government resign and let an impartial <u>caretaker government</u> guide the country through the elections. The AL considers this demand as not having legal grounds, given the absence of constitutional provisions for such a measure. On 28 October 2023, a grand rally of BNP supporters in Naya Paltan (Dakha) was <u>dispersed with force</u> by the police, who were accused of obstructing the gathering. According to <u>local media</u> reports, AL members were allowed to maintain order using sticks, while internet services in the rally area were either shut down or reduced. Media outlets also

reported that in the following weeks, against a backdrop of BNP-declared *hartal* (general strikes) and *oborodh* (blockades) throughout the country, as well as <u>arson attacks</u>, the police engaged in a <u>massive crackdown against the opposition</u>: it locked the BNP headquarters and <u>arrested several thousands</u> of BNP activists and many of its senior leaders, including 75-year old secretary-general <u>Mirza Fakhrul Islam Alamgir</u>. The Dhaka metropolitan police maintained that the accusation that false cases were filed against the opposition was 'baseless'.

In mid-November, a <u>US administration proposal</u> to the main three parties (AL, BNP and the Jatiya Party) to engage in dialogue to resolve the political deadlock was rejected by the government.² Meanwhile, the Electoral Commission announced that a general election would take place on 7 January 2024. The opposition parties rejected the schedule and called a general strike in protest, claiming that the Electoral Commission had made the announcement in line with the wishes of the AL. To add to the political unrest, a <u>garmentworkers' wage dispute</u> has escalated, with workers taking to the streets in November 2023. These protests are provoking disruption in the supply chain, increasing inflation and harming the <u>economy</u>. Against this backdrop, with the government seeming to have failed to uphold some basic democratic principles, the January 2024 general elections will feature Prime Minister Sheikh Hasina's Awami League going <u>unchallenged</u>, (as in 2018) as opposition parties (namely BNP, whose leadership have mostly been jailed) have decided to <u>boycott the vote</u>. This points to a fourth consecutive electoral triumph for AL.

The EU will not send an electoral observation mission

As was the case in 2018, the EU is not sending an electoral observation mission to the 2024 general election in Bangladesh. In April 2023, Charles Whiteley, the EU Ambassador to Bangladesh, declared that a participatory election was necessary for the deployment of an election observation mission. The Election Commission has invited 34 countries belonging to different associations to observe the January 2024 elections, these include France, as a member of the A-WEB (Association of World Elections Bodies).

Institutions

The People's Republic of Bangladesh is a parliamentary democracy. The <u>constitution</u> was adopted in 1972; in 2011 the 15th amendment restored <u>secularism</u> as a fundamental <u>principle</u> of the state, while Islam was retained as the state religion. The president is the head of state and is elected by the parliament for 5-year terms. The office is currently held by <u>Mohammad Shahabuddin Chuppu</u>. As he was the only candidate proposed within the AL-controlled parliament, the Election Commission declared him president in February 2023, and <u>no election</u> was held. The president appoints the prime minister and, on the latter's recommendation, other members of the cabinet, the chief justice and other judges of the supreme court, and the chief election commissioner. The president has the power to dissolve parliament. The <u>prime minister</u>, a member of the parliament, is chief executive and head of the Council of Ministers (the <u>cabinet</u>), and selects its members. <u>Sheikh Hasina</u> has been prime minister of Bangladesh since January 2009.

Bangladesh has a unicameral system. Of the 350 members of the parliament (Jatiya Sangsad), 300 are members directly elected from territorial constituencies for a 5-year term. An additional 50 seats are reserved for women appointed by political parties, in proportion to the party's vote. There are currently 102 members (29%) aged 72 or over, while there is just one member under 36. The Jatiya Sangsad holds legislative powers and adopts bills, subject to the president's assent. Shirin Sharmin Chaudhury has served as the first female speaker since April 2013.

The <u>constitution</u> provides for an <u>independent judiciary</u>. The Supreme Court consists of the chief justice, named by the president, and a number of other judges also named by the president after consultation with the chief justice.

Main political parties

Awami League (AL). The <u>Bangladesh Awami League</u> is the country's oldest and largest political party. It was created in 1949 (as the All Pakistan Awami Muslim League) as an alternative to the West Pakistan-dominated Muslim League. The AL headed the forces of Bengali nationalism in the war of independence. Since 1981 the party has been led by incumbent prime minister Sheik Hasina. Under her direction, the AL has run the country from 1996 to 2001 and from 2008 to the present day. The AL claims to be a <u>secular party</u>: it reinstated secularism as a principle in the constitution and fights against radical Islamism, which with the <u>Hefazat-e-Islam</u> movement has <u>called</u> for the creation of an Islamic State in Bangladesh under Sharia Law. Other fundamental AL <u>principles</u> are democracy, socialism and nationalism. AL holds <u>329</u> of the parliament's 350 seats.

Bangladesh Nationalist Party (BNP). The <u>Bangladesh Nationalist Party-BNP</u> was founded in 1978. A few months after its foundation, it won the second general election in Bangladesh and formed the government. Since 1984 the party has been led by Khaleda Zia. She was Bangladesh's prime minister from 1991-1996 and 2001-2006. On top of nationalism, other main BNP principles are democracy, free market economy and the preservation of the teachings of Islam as the religion of the majority, and other religions. It holds seven seats in the parliament.

Jatiyo Party. Established in 1986, the <u>Jatiyo Party</u> (also Jatiya Party) is a conservative party (*Jatiya* means 'national'), whose main principles are independence and sovereignty, Islamic ideology and freedom of all religions, democracy, social progress and economic participation. It won the elections in 1986 and 1988. With 27 seats, it is currently the main opposition party in the parliament.

Economy

Although <u>agriculture</u> is the main source of employment in Bangladesh, the sector's contribution to the country's gross domestic product (GDP) has fallen sharply, from 50% in the 1970s to 11.2% in 2021. In 2022, 45% of the labour force was employed in agriculture, marking a rise from 40.6% in 2016-2017. This may reflect reduced demand for labour in industry, plus a reverse migration back to rural areas during the COVID-19 pandemic. <u>Rice</u> is the predominant agricultural product and is the main staple in the Bangladeshi diet; the country produces three main rice crops a year.

Before independence, Bangladesh was highly deindustrialised as a result of the policies carried by the central government in West Pakistan. Industrial development later picked up; in particular, the country developed a garment sector (employing <u>mostly women</u>) able to deliver low-cost and quality products produced on time. This sector accounts for approximately 80 % of all <u>manufacturing jobs</u> and of Bangladesh's total <u>exports</u>. In 2022, the RMG (ready-made garments) sector accounted for 9.25 % of GDP.

Bangladesh: Too reliant on the garment sector?

Bangladesh is the <u>second largest garment-producing</u> country in the world after China. The Bangladeshi apparel industry is advancing in <u>eco-friendly manufacturing</u>, and efforts to improve safety in the garment sector have been strongly positive. However, as the <u>International Labour Organization</u> has noted, several labour law provisions have yet to be aligned with international labour standards, and efforts to improve labour rights are needed, for instance in relation to trade union registration, anti-union discrimination, unfair labour practices and violence. Analysts have warned about the country's <u>over-reliance on garment production</u> and the <u>erratic nature</u> of the global market for ready-made garments (RMG), with competitiveness relying on low wages, and <u>margins slimming</u> following workers' protests for higher pay. These claims were partially met by the government's decision to raise the minimum wage by <u>56 %</u> on December 2023, one month before the elections. As a <u>report</u> jointly prepared by the UN Conference on Trade and Development and the Organisation for Economic Co-operation and Development outlines, Bangladesh's industrial policy needs to diversify its production structure and export markets.

Bangladesh is also a major player in <u>shipbuilding</u> and <u>shipbreaking</u>. Ratification by Bangladesh (and Liberia) in June 2023 of the Hong Kong International <u>Convention</u> for the safe and environmentally sound recycling of ships triggered the convention's <u>entry into force</u> in June 2025. The services sector is meanwhile expanding, namely in finance, health, education, transportation, communication and marketing. The sector currently employs <u>37.7 %</u> of the labour force (compared with 20.4 % in 2016). Informal jobs dominate all sectors of the economy – especially agriculture and industry. Remittances from the Bangladeshi diaspora are significant for its economy: according to the World Bank, they totalled US\$21.5 billion in 2022, the <u>7th highest</u> in the world.

Foreign relations

Under <u>Article 25</u> of its constitution, Bangladesh commits to promote international peace, security and solidarity. First president of Bangladesh Sheikh Mujibur Rahman's phrase 'Friendship towards all, malice towards none' is often highlighted as the foundation of the country's foreign policy (this phrase has been included the United Nations General Assembly <u>resolution</u> 'International Year of Dialogue as a Guarantee of Peace, 2023' adopted in December 2022). As of 30 September 2023, Bangladesh was the <u>largest contributor</u> of troops to UN peacekeeping missions, followed by Nepal and India; with Pakistan ranking fifth, this makes south Asia the world most generous region in terms of military personnel for peacekeeping.

<u>South Asian countries are divided</u> on the 7 October 2023 Hamas attack on Israel. Bangladesh immediately called for an <u>urgent ceasefire</u> between Israel and Palestine, and later demanded an <u>immediate end</u> to Israeli military operations in Palestine. Dhaka recalled its support for a two-state solution and co-sponsored the <u>UN General Assembly resolution</u> adopted on 26 October calling for a humanitarian truce in Gaza.

A key partner is India: Delhi supported the Bangladesh Liberation War and was the first country to recognise Bangladesh, establishing diplomatic relations immediately after its independence in December 1971. India's links with Bangladesh are historical, cultural, social and economic. India and Bangladesh are engaged in regional cooperation through multilateral forums, such as SAARC (the South Asian Association for Regional Cooperation), BIMSTEC (the Bay of Bengal Multi-Sectoral Technical and Economic Cooperation) and IORA (the Indian Ocean Rim Association).

Bangladesh represents the gateway to south-east Asia, where Delhi, with its 'Act East' policy, is interested in engaging with ASEAN (the Association of Southeast Asian Nations). The seven northeast Indian states are meanwhile connected to the rest of India through the narrow Siliguri Corridor, making cooperation with Bangladesh a key factor for this region's development and security. Delhi is also worried about on-going Chinese claims to Arunachal Pradesh. Beijing calls the state 'South Tibet' and routinely protests about visits there by Indian leaders. The 131 km India-Bangladesh Friendship Pipeline to carry diesel from Siliguri to Parbatipur in Bangladesh opened in March 2023. In April 2023 Bangladesh, India and Japan⁵ held a connectivity meeting in Tripura. Dhaka's zero tolerance policy towards terrorism helps Delhi curb north-eastern secessionist movements. Bangladesh has handed several top militants from north-east India to Delhi. In September 2023, India invited Bangladesh to attend the G20 Summit in Delhi.

Nevertheless, the presence of Indian Prime Minister Narendra Modi at Bangladesh's 50th independence anniversary in March 2021 sparked <u>violent protests</u>, as his government has often been accused of pursuing <u>policies targeting Muslim minorities</u>, and his party's leadership have triggered <u>anger</u> for making repeated references to unauthorised Muslim immigrants from Bangladesh during election campaigns.

Bangladesh also has a longstanding friendship with Russia. During the Liberation War, the <u>USSR</u> stood up for Bangladesh and was among the first countries to recognise the newly independent country in January 1972. Despite this, the first visit to Bangladesh by a senior Russian official took place only in September 2023, when Foreign Minister <u>Sergey Lavrov</u> visited Dhaka. Bangladesh has meanwhile maintained a neutral stance on the <u>Russia-Ukraine war</u>. Russian state-owned company

Rosatom is helping Bangladesh build its first (of two) nuclear power plants in Rooppuur, about 160 km north-west of Dhaka. Russia is financing up to 90 % of the total cost of the US\$12.65 billion investment as a loan repayable within 28 years, with a 10-year grace period. In April 2023, Dhaka and Moscow agreed to use <u>Chinese yuan</u> to settle the payment. The first shipment of <u>Russian uranium</u> was officially delivered in October 2023. Following <u>India's example</u>, ⁷ in May 2023, Sheikh Hasina said that Bangladesh was ready to <u>buy Russian oil</u> if offered at an affordable price.

Other <u>major powers</u> are also engaged in extending their influence in Bangladesh: with 580 km of Indian Ocean coastline, the country offers a launch pad to expand networks in south Asia and the Indian Ocean. Bangladesh has strong economic <u>ties with China</u> and Chinese investment in Bangladeshi power, energy and telecommunications infrastructure are noteworthy. Since 2015, Bangladesh – a key hub of maritime and overland connectivity between the Indian Ocean and the landlocked provinces of China, in particular Yunnan – has become part of Beijing's Belt and Road Initiative (<u>BRI</u>), namely via the <u>2013</u>-established Bangladesh-China-India-Myanmar economic corridor (<u>BCIM</u>). Analysts <u>argue</u> that Dhaka is reassessing its involvement in the BRI: in August 2022, finance minister Mustafa Kamal warned about BRI loans from China and the possibility of developing countries becoming indebted. He mentioned <u>Sri Lanka's debt default</u>, in connection with which analysts refer to Beijing's '<u>debt trap diplomacy</u>'. In January 2023 Bangladesh obtained a <u>US\$4.7 billion loan</u> from the International Monetary Fund (IMF).

The US administration too has renewed its focus on the Indo-Pacific region, prompting an upgrade in bilateral relations with Bangladesh. The last few years have witnessed a remarkable growth in US-Bangladesh bilateral trade, from around US\$8 billion in 2018 to 2019, to US\$14 billion in 2022. The US is the second largest market for Bangladeshi products after the EU. During the pandemic, the US donated more than 100 million vaccine doses to Bangladesh – more than 70% of all international COVID-19 vaccine donations. Bangladesh is the largest recipient of US assistance in Asia and the US is popular among the Bangladeshi people. More than 10 500 Bangladeshi students attended higher education institutions in the US in 2022, through scholarships and skilled migration schemes. Furthermore, over 200 000 Bangladeshis live in the US. Annual bilateral partnership dialogues and security dialogues have been taking place since 2012.

Washington is increasingly calling on Dhaka to align with US principles on democracy and human rights. In December 2021, the US administration imposed <u>sanctions</u> on the Bangladesh Rapid Action Battalion that was originally developed with <u>US support</u> in its effort to strengthen regional counterterror forces (see box on human rights). The Biden administration <u>left Bangladesh out</u> of the two Summits for Democracy held in <u>2021</u> and <u>2023</u> – while for instance inviting Pakistan. In September 2023, the US began imposing <u>visa restrictions</u> on Bangladeshi officials found culpable of 'undermining the democratic election process in Bangladesh'. However, Washington also aims to <u>involve Dhaka</u> in strengthening security in the Indo-Pacific: <u>since 2019</u>, the US has been calling on Bangladesh to sign the General Security of Military Information Agreement (GSOMIA) and the Acquisition Cross-Servicing Agreement (ACSA).

Relations with the EU

The EU and Bangladesh have had official relations since 1973. On the basis of the 2001 Cooperation Agreement, the partners cooperate mainly in areas such as economic development, human rights, good governance and the environment. In the 2014-2020 period, Bangladesh achieved self-sufficiency in terms of staple food, and the EU has contributed to this success through a large portfolio of food and nutrition security actions. The EU has also contributed to better coordination in quality and inclusive primary education. The EU allocated €655 million for cooperation with Bangladesh in the 2014-2020 period. In 2020, Team Europe (the EU, the Member States and the EU's financial institutions) mobilised €334 million for the fight against COVID-19 and its consequences in Bangladesh. In 2023, the EU has provided over €38 million in humanitarian aid in response to the Rohingya refugee crisis.

The EU's 2021-2027 multiannual indicative programming for Bangladesh identifies three priority areas: (i) human capital development; (ii) green inclusive development; and (iii) inclusive governance. The first two priorities are key to Bangladesh reaching the UN's Sustainable Development Goals. In addition, key cross-cutting issues such as measures addressing migration and forced displacement, security, human rights matters, the strengthening of civil society organisations, and health (not least in the aftermath of the pandemic) are mainstreamed whenever relevant and necessary. The EU will continue to offer assistance in the field of border management and the fight against human trafficking and migrant smuggling, as these remain regional challenges. The indicative allocations for the 2021-2024 period amount to €306 million. The allocations for 2025 to 2027 will be subject to a further EU decision.

The EU and Bangladesh hold annual <u>Joint Commission meetings</u>. In November 2022 they held the first <u>political dialogue</u>, where they agreed to launch a Bangladesh-EU climate dialogue. In October 2023, Sheikh Hasina came to Brussels for the <u>Global Gateway Forum</u> and negotiations were launched on a <u>new partnership and cooperation agreement</u>. The EU, the European Investment Bank (EIB) and Bangladesh signed agreements worth €400 million for renewable energy projects to contribute to a sustainable green transition of Bangladesh's power sector and to the achievement of the country's climate mitigation targets. Five additional cooperation actions, worth €70 million, supporting education, decent work, green construction, e-governance and the prevention of gender-based violence were also launched.

The <u>EU is Bangladesh's main trading partner</u>: in 2020 it accounted for around 19.5 % of Bangladesh's total trade. In 2020, Bangladesh was the EU's 34th largest trading partner in goods. In 2022, EU imports from Bangladesh were worth €23.9 billion, and exports to Bangladesh were worth €3.6 billion. EU imports from Bangladesh are dominated by clothing (over 90 % of the total), while EU exports to Bangladesh are dominated by machinery and transport equipment. When it comes to services, EU exports to Bangladesh totalled €0.8 billion in 2022, while imports from Bangladesh amounted to €0.6 billion. In 2021, EU foreign direct investment (FDI) in Bangladesh was worth €1.2 billion, while Bangladesh invested €0.1 billion in the EU.

A <u>1986 agreement on textiles</u> was made obsolete by Bangladesh's inclusion since 2001 in the Everything but Arms (<u>EBA</u>) scheme, giving 49 of the world's poorest countries duty-free access to EU markets. Bangladesh is now the largest beneficiary of the EBA. Since 2020, the EU has put Bangladesh under <u>enhanced monitoring</u> in order to address concerns with regard to fundamental human rights and labour rights. Meanwhile, RMG trade with the EU may soon be affected by EU legislation on <u>corporate sustainability due diligence</u> following a <u>European Parliament demand</u>.

Following the collapse of the Rana Plaza factory in Dhaka in July 2013, killing 1 138 workers and injuring over 2 500, the European Commission shaped the Sustainability Compact, with the Government of Bangladesh, the US, Canada and ILO, with commitments to improve workplace safety, respect for labour rights, and responsible business conduct. Another field of EU-Bangladesh cooperation is migration. In September 2017, standard operating procedures entered into force for the identification and return of persons without an authorisation to stay. However, as several Member States were not satisfied with the Bangladeshi authorities' implementation of the agreement, it was suspended in July 2021.

European Parliament and Bangladesh

The European Parliament's Delegation for Relations with the countries of South Asia (<u>DSAS</u>) covers inter-parliamentary relations with Bangladesh, Bhutan, the Maldives, Nepal, Pakistan and Sri Lanka and also works with SAARC.

In a September 2023 <u>resolution</u> 'on the human rights situation in Bangladesh, notably the case of Odhikar', Parliament expressed deep concern at the deteriorating human rights situation in Bangladesh, at the mass arrests of opposition representatives and at the excessive use of force against protesters. MEPs encouraged the Dhaka government to cooperate with the UN on

establishing a specialised mechanism to investigate allegations of enforced disappearances (see box on human rights). They focused on the case of the harassment of non-governmental organisation Odhikar and the prison sentence against its two leaders, considering this a 'regrettable step back' that may hinder the application of EBA preferences to Bangladesh.

Human rights in Bangladesh

There is a widespread concern about the human rights situation in Bangladesh. In recent years, <u>Amnesty International</u>, <u>Human Rights Watch</u> and other human rights watchdogs have been drawing attention to the country's deteriorating human rights situation, not least ahead of the general election. In November 2023, UN independent experts conducting the <u>Human Rights Council</u> periodic review of the human rights situation in Bangladesh noted a 'sharp rise in political violence, arrests of senior opposition leaders, mass arbitrary detention of thousands of political activists, <u>use of excessive force</u> by the authorities and internet shutdowns to disrupt protests, and allegations of harassment, intimidation and unlawful detention of family members as a retaliatory measure'. They also found that media freedom was under threat, given the level of attacks, surveillance, intimidation and <u>judicial harassment the press</u> is suffering, leading to widespread media self-censorship. They also noted the 'weaponisation of the judicial system to attack journalists, <u>human rights defenders</u> and civil society leaders'.

The Bangladeshi government announced in August 2023 that the highly controversial Digital Security Act (DSA) adopted in 2018 was to be replaced with a Cyber Security Act (CSA). According to the OHCHR (the UN Office of the High Commissioner for Human Rights), the DSA contained 'vague and overly broad provisions criminalising various legitimate forms of expression with overly harsh sentences, including life imprisonment for repeat offenders'. Observers note however that the new CSA is a renamed version of the DSA, retaining most of its provisions. Press reports meanwhile allege that Israeli-owned firms based outside Israel have sold spyware equipment to the Bangladeshi government to monitor citizens' communications and activities (the two countries do not have diplomatic relations). Bangladesh ranks 163 out of 180 countries in the Reporters without Borders 2023 Press Freedom Index (lowest in South Asia). It ranks 127 out of 142 countries in the 2023 World Justice Project Rule of Law Index.

The first ever visit to Bangladesh by a UN High Commissioner for Human Rights took place in August 2022. <u>Michelle Bachelet</u> underlined several issues of concern relating to human rights: a narrowing civic space, increased surveillance, intimidation, and reprisals often leading to self-censorship. Despite some improvements, she reported that challenges to gender equality remained. Bachelet also raised deep concerns with the government regarding allegations of enforced disappearances, extrajudicial killings, torture, and a lack of accountability for such violations – that various UN human rights mechanisms have been raising concerns about for several years - and the need for impartial, independent and transparent investigations into these allegations, for which she offered support.

The author of the extrajudicial killings of activists, responsible for more than 600 enforced disappearances since 2009, nearly 600 extrajudicial killings since 2018, and torture, has been pointed out as Bangladesh's Rapid Action Battalion (RAB). The RAB is also accused by rights groups of killing political opponents and staging gunfights to deny victims due legal process. A joint DW-Netra News report on these allegations was dismissed by the Home Ministry as fictitious, fabricated and politically motivated. The US administration has imposed sanctions on the RAB: this may have been the reason for a reduction in the number of extrajudicial killing in 2022.

Parliament also urged the Bangladeshi government to comply with core ILO standards, implement its labour roadmap, repeal the Digital Security Act (see box above) and adopt cybersecurity legislation that complies fully with international standards. MEPs called on the Dhaka government to guarantee the conditions for free, fair and participatory elections in 2024. While the resolution was <u>criticised</u> by a group of Bangladeshi scientists and other eminent figures, one month after the resolution was adopted the founder of Odhikar – Adilur Rahman Khan – was <u>released</u> on bail. Parliament expressed concern about the human rights situation in Bangladesh several times during its eighth term (2014-2019), including in its resolutions of November 2018 on <u>human rights</u>, of April 2017 on <u>child marriages</u> and of November 2015 on <u>freedom of expression</u>.

In June 2017, Parliament adopted a <u>resolution</u> on the state of play of the implementation of the Sustainability Compact in Bangladesh. It called on the government to enhance its level of engagement as regards improving safety and working conditions and workers' rights in the garment sector, to enhance the implementation of legislation on building and factory safety, and to continue to increase government funding for the labour inspectorate. MEPs also called on the Bangladeshi government to amend the 2013 Labour Act so as to address freedom of association and collective bargaining in an effective fashion, to promote social dialogue, and to ensure the speedy and non-arbitrary registration of trade unions. On 31 May 2023, Parliament held a <u>debate</u> on the 10th anniversary of the Rana Plaza collapse.

In a <u>resolution</u> adopted in February 2021 on the situation in Myanmar, Parliament expressed its gratitude and respect to the government and people of Bangladesh for having welcomed and continued to host roughly one million Rohingya refugees from Myanmar. In its September 2019 <u>resolution</u>, Parliament urged the governments of both Myanmar and Bangladesh to abide fully by the principle of *non-refoulement* in relation to the Rohingya people. MEPs called on the Bangladeshi authorities to guarantee full and discrimination-free access to quality education for Rohingya children and to lift restrictions on access to online communications.

Bangladesh and the Rohingya crisis

Bangladesh has become a <u>symbol of humanitarianism</u> in the framework of the <u>Rohingya Crisis</u>: though not a signatory to the <u>1951 Refugee Convention</u>, since 2017 the country has taken in more than 1.1 million Rohingya refugees from neighbouring Myanmar's Rakhine State. Despite severe resource constraints, local communities have mobilised resources of various types and volumes to alleviate the refugees' suffering. With the passing of time, however, <u>resentment</u> towards both refugees and humanitarian aid agencies, particularly among the impoverished local population in the hosting Cox's Bazar district, has grown and the feeling of solidarity has given way to resistance. Turf wars between rival armed groups have entered the sprawling and overcrowded refugee camps, where <u>insecurity</u> is growing. In the meantime, non-governmental organisations complain that <u>international support</u> for the Rohingya humanitarian response is dwindling. Dhaka has been pushing for repatriation of the Rohingya, but large-scale returns appear unrealistic, especially after Myanmar's <u>February 2021 military coup</u>. The Bangladeshi government is equipping the <u>Bhashan Char Island</u> to provisionally <u>move 100 000</u> displaced Rohingya, at a cost of over <u>US\$350 million</u>. <u>Human Rights Watch</u> has strongly criticised this relocation. Bangladesh, meanwhile, <u>feels increasingly abandoned</u> by the international community, as it bears most of the financial and political <u>burden</u> of providing a home for the Rohingya <u>alone</u>.

Outlook

In just 50 years since the end of the Liberation War, Bangladesh is considered to have made spectacular economic and social progress. Originally one of the world's poorest countries, and struck the year before independence by the most deadly cyclone in history (Bhola, 300 000 killed), the US State Department referred to it as a 'basket case'. This expression, attributed to Henry Kissinger, in reality came from his Under-Secretary of State for political affairs U. Alexis Johnson. Bangladesh's per income grew from US\$105 in 1973 to US\$2 000 in 2020. Bangladesh reached lower-middle income status in 2015, and it is on track to graduate from the UN's least developed countries (LDC) list in 2026. Bangladesh has made impressive progress in reducing poverty. Over 80% of Bangladeshis were living in poverty in the early 1970s. In 2000, 48.9% of Bangladeshis were counted as poor using the upper poverty line and by 2022 this figure stood at 18.7% (30 million people); for the lower poverty line, the figure fell from 34.3% to 5.6%. Bangladesh incorporated the priorities of the Millennium Development Goals in its development policies and is on track to achieve them.

In 2022, Bangladesh was the world's <u>35th largest economy</u>, before Vietnam and after Singapore. That year, in June, Sheikh Hasina proudly inaugurated the 6-km two-level road-rail <u>Padma Bridge</u>,⁸ the country's longest bridge and the longest bridge overthe river Ganges. In May 2018, Bangladesh launched its <u>first communications satellite</u> – Bangabandhu-1, bought from France where it was

manufactured by Thales Alenia Space. The Bangladesh government is now raising the game: with the adoption of 'Vision 2041', it wants to end absolute poverty and graduate to higher middle-income status by 2031, and to eradicate poverty and become a developed nation by 2041, with per capita income of over US\$12 500 in today's prices.

In terms of international relations, the great powers are keenly aware of Bangladesh's geostrategic location in the heart of the Indo-Pacific, and its position as a gateway between south Asia and southeast Asia. It has been argued that in the future Bangladesh could be <u>invited to join BRICS</u>. Dhaka has been able to maintain a strategically balanced approach among powers, with an <u>adaptive foreign policy</u> towards different geopolitical risks: its priority is to attract foreign direct investment in order to achieve its national goal, set as out in 'Vision 2041'. The EU and Bangladesh are committed to a free, open, inclusive, peaceful, secure and rules-based <u>Indo-Pacific</u> region. Bangladesh involvement in the EU's <u>CRIMARIO II</u> for partnering on maritime security is envisaged. Bangladesh has also been commended by the EU and the European Parliament for its humanitarianism in the context of the Rohingya Crisis.

Despite its many <u>achievements</u>, Bangladesh faces a number of challenges in realising its ambitions. The country is highly vulnerable to the risk of natural disasters due to climate change: rising sea levels, extreme weather events and changing rainfall patterns, with potentially devastating consequences. The low-lying delta (Asia's largest and the <u>world's most populated delta</u>) formed by the confluence of several major rivers, including the Ganges, makes Bangladesh <u>prone to flooding</u>. Approximately 80% of the country is less than 5 metres above sea level, and a 1-metre rise in sea level could <u>displace millions of people</u> and submerge vast areas of agricultural land. Economic growth has damaged the environment, resulting in extensive water and air pollution, and <u>greenhouse gas emissions per capita have risen</u> since 1990. According to the Germanwatch Global Climate Risk Index 2021, <u>Bangladesh was seventh</u> worst affected country between 2000 and 2019.

For these reasons, Dhaka has been a forerunner in climate change adaptation and disaster risk preparedness. Together with international financial institutions, bilateral donors, and the private sector, the government of Bangladesh is establishing the Bangladesh Climate and Development Platform (BCDP), a project preparation facility, with financial commitments for public and private investment in adaptation and mitigation. This is based on the Resilience and Sustainability Facility (RSF) arrangement with the IMF. The government has also set up a Climate Vulnerability Index (CV) for each administrative unit. Bangladesh is also a leader in the framework of the Climate Vulnerable Forum (CVF) and the V20 Climate Vulnerables Finance Summit. In November 2023, Sheikh Hasina declared that the international agenda should prioritise the profound impact of climate change on human mobility and support to the countries most affected by climate displacement. The EU and EU Member States active in the country are supporting Bangladesh in meeting the challenge of mitigating and adapting to the long-term impact of climate change in a context of demographic expansion and urbanisation. The agreements worth €400 million signed in the framework of the Global Gateway Forum in October 2023 between the EU, the EIB and the Bangladeshi government for renewable energy projects will help the country achieve its climate mitigation targets and a sustainable green transition in its power sector.

In terms of social and economic growth, while progress on reducing poverty has been impressive, the UN Special Rapporteur on extreme poverty and human rights has warned about rising income inequality: measured using the Gini coefficient, it rose to 0.499 in 2022 from 0.458 in 2010. The Special Rapporteur has also drawn attention to an emerging category of new 'poor', represented by households who are just above the poverty line, have little to no savings, and are therefore highly vulnerable to becoming poor after a shock. The EU's 2021-2027 multiannual indicative programming for Bangladesh, whose first priority area is human capital development, may be key to Bangladesh achieving its UN's Sustainable Development Goals. Another aspect to take care of is the capacity of the regulatory environment to be conducive to business operation: in the last available (2020) Ease of Doing Business Report, despite reforms, Bangladesh ranked 168 out of 190 countries. Further potential improvements conducive to a business environment attracting foreign

direct investment concern the quality of <u>public administration</u> and the fight against corruption – Bangladesh ranks 147 out of 180 countries in Transparency International's <u>Corruption Perceptions Index</u>.

The state of human rights and democracy in Bangladesh is meanwhile of ongoing concern among international observers. The remarks made by UN High Commissioner for Human Rights Michelle Bachelet during her visit to Bangladesh in August 2022, on narrowing civic space, increased surveillance, intimidation and reprisals often leading to self-censorship, have been further amplified in the Human Rights Council's periodic review of the human rights situation, released in November 2023. Even the 2006 Nobel Peace Prize winning economist Muhammad Yunus, founder of the Grameen Bank, globally commended for pioneering the use of microcredit to help impoverished people, has been facing judicial harassment for many years. It is against this backdrop that the 2024 elections are taking place.

ENDNOTES

- These minorities include Urdu-speaking Muslim <u>Biharis</u> who migrated to East Pakistan during the 1947 partition. They were labelled as enemy collaborators for their alleged role in supporting the Pakistani government during the Liberation War, <u>denied citizenship</u> (by both Bangladesh and Pakistan) and have since been living in refugee camps.
- ² In October 2023, Prime Minister Sheikh Hasina <u>stated</u> that she would hold talks with the opposition if the US President Joe Biden did the same with former US President Donald Trump.
- ³ In its Democracy Report 2023, V-Dem Institute classifies Bangladesh as an 'electoral autocracy'.
- ⁴ Islamist political party <u>Islami Andolan Bangladesh</u> staged an <u>anti-France rally</u> during French President Emmanuel Macron's <u>visit to Bangladesh</u>.
- Bangladesh was among four countries <u>selected</u> by the Japanese government to receive <u>defence aid</u> under its official security assistance, which offers equipment, supplies and infrastructure development assistance to partner countries. In April 2023, Bangladesh's prime minister <u>Sheikh Hasina visited Japan</u>. Bilateral relations were upgraded from 'comprehensive partnership' to '<u>strategic partnership</u>'. Bangladesh and Japan are negotiating an <u>economic partnership agreement</u>, expected to be signed by the end of 2025 or early 2026, when Bangladesh is scheduled to graduate to become a developing country.
- ⁶ Tripura is one of the Northeast Indian states. An adage of the region says 'If Bangladesh is India-locked, Tripura is Bangladesh-locked'.
- ⁷ In October 2023, media <u>reported</u> that the Bangladeshi government is to reform the energy sector, to allow private companies to import petroleum products and sell directly to retailers.
- The construction of the main bridge was carried out by China's Major Bridge Engineering Company (MBEC), a Chinese contractor company, and the river treatment by the Sino Hydro Corporation of China. In 2012, the World Bank cancelled a US\$1.2 billion loan meant for the project, alleging high-level fraud involving senior executives from Canadian engineering company SNC-Lavalin. The Asian Development Bank subsequently pulled out as co-financiers of the project. Bangladesh financed the US\$3.87 billion project itself. Bangladesh's Anti-Corruption Commission also investigated the matter but found no clear evidence for the allegation.

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