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Strategic Investment and Trust-Building between Bangladesh and Myanmar: A Geoeconomic Pathway

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Abstract

The Rohingya refugee crisis has become the central source of tension in Bangladesh–Myanmar relations, exposing the limitations of approaches focused primarily on humanitarian assistance, diplomatic engagement, and security management. While these approaches remain necessary, they have generated limited progress toward sustainable bilateral cooperation. This study examines whether geoeconomic engagement can function as a confidence-building mechanism between Bangladesh and Myanmar by creating incentives for cooperation through strategic investment and structured economic interdependence. Drawing on theories of economic interdependence, geoeconomics, and economic peacebuilding, the paper develops a political economy framework that links strategic investment to trust-building through shared economic interests and repeated institutional interaction. The study employs a qualitative exploratory research design based on key informant interviews with policymakers, diplomats, economists, connectivity specialists, refugee governance experts, and international practitioners, complemented by an extensive review of academic and policy literature. Findings indicate that deep political mistrust, security concerns, and unresolved refugee-related tensions continue to constrain bilateral relations. However, respondents identified trade facilitation, infrastructure connectivity, border logistics, energy cooperation, and institutionalized economic engagement as potential pathways to generate mutual economic interests and reduce barriers to cooperation. The analysis further highlights both the opportunities and risks associated with external facilitation, particularly in relation to Chinese financing and connectivity initiatives. Interviewees also emphasized the importance of international oversight in any refugee-linked economic development framework. The paper argues that geoeconomic engagement should not be viewed as a substitute for humanitarian, diplomatic, or political solutions. Rather, carefully sequenced economic cooperation can complement existing approaches by creating material incentives that support confidence-building and sustained engagement. The study contributes to the literature by integrating perspectives from refugee governance, Bangladesh–Myanmar relations, and economic peacebuilding, while proposing a phased roadmap for trust-building through strategic investment, institutional cooperation, and refugee-linked development initiatives.