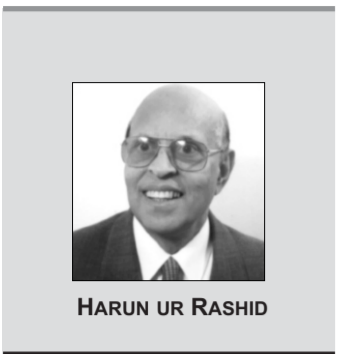


Mr. Mukherjee comes to Dhaka



INDIA'S Foreign Minister Pranab Mukherjee is no stranger to Bangladesh. He visited Bangladesh a few times in the past. He is a senior Congress politician from West Bengal, and whenever the Congress-led government occupies power in New Delhi he gets a senior cabinet post. In 1980, he was the commerce minister under the Indra government.

His one-day visit, on February 19, to Dhaka is very significant, although the principal purpose was to extend an invitation to the head of the care-taker government to participate in the 14th Saarc summit in New Delhi.

The foreign minister, it seems, is very much aware of the issues that are sensitive and important for Bangladesh-India relations. Accordingly, he specifically touched on trade and the issue of water diversion of common rivers at the press briefing before he left for New Delhi.

He announced duty free access to two million pieces of ready-made garments from Bangladesh every year. He also said that restrictions imposed on cosmetic products from Bangladesh have been eased out.

BOTTOM LINE

It is in the long-term interest of India to have cooperative and friendly relations with a neighbour, because a disgruntled neighbour may place difficulties in the way of India's pursuit of long-term regional or global interests. At the same time, Bangladesh has to face the challenge of living with the reality that India is a rising power in Asia, with its own regional and global interests.

These two announcements are to be considered in the context of the huge deficit in trade with India, that Bangladesh suffers from annually.

Dynamics of Indo-Bangladesh relations
Indo-Bangladesh relations are complex, vacillating between being very close at certain times and not so close at other times.

The ups and downs of the relationship appear to arise from different perceptions about each other's policies at the time. Added to this is the physical size of the two countries.

Bangladesh is in a dilemma because it cannot ignore powerful India, and at the same time its closeness with asymmetrical identity, such as with India, is like a "bear hug." This is somewhat comparable to relations between Canada and the US, which a former Canadian prime minister Pierre Trudeau once said: "Living with the US is like sleeping with an elephant, no matter how friendly and even-tempered is the beast one is affected by every twitch and grunt."

The massive size of India is a geographical reality, but this fact should not be a bar to good and friendly relations. If France and Switzerland can have the best of

relations, why should it not happen between India and Bangladesh? My personal experience in the Bangladesh Foreign Office (as Director General, South Asia and later as Additional Foreign Secretary in the 70s and mid 80s) leads me to believe that India's policy towards Bangladesh has been largely grounded on strict reciprocity, that means give and take.

It is true that reciprocal actions are part of normal foreign relations. However, in the context of Indo-Bangladesh relations, adherence to strict reciprocity does not always pay dividends for India.

India, being the larger power with large resources, has the responsibility to understand and respect the sensitivity of small neighbours. It may show unilateral generosity and good neighbourliness towards the neighbouring countries.

Former Indian prime minister I.K. Gujral in his book (A Foreign Policy of India: 1998) writes: "The Gujral doctrine, if I may call it so, states that, with neighbours like Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka, we do not ask for reciprocity but give what we can in good faith." (It is noted that Pakistan is excluded in the list of countries).

Trade issues
Bangladesh's need for larger market access to India is of some urgency. One of the issues that has disappointed Bangladesh is the absence of seriousness in India for reducing the trade gap. Trade and non-tariff barriers impede the flow of exports to India from Bangladesh.

The huge trade deficit has become a political issue in the country. It is partly because India's dominance of the Bangladesh market is seen by many people as "exploitation" of a small country by a big country (India is at least 23 times larger than Bangladesh). This is a reality.

The formal and informal trade between India and Bangladesh is almost \$3 billion, while Bangladesh exports to India stand at about \$100 million only. Furthermore, Bangladeshi products, including cement and fruit juices, reportedly meet strict non-tariff barriers such as government rules, regulations and certification from the Bureau of Indian Standards.

The requirement of 40% percent value addition for export items from Bangladesh to India, to qualify for duty free access, is very difficult to meet for Bangladesh traders.

India has been, so far, lukewarm toward granting preferential access to exports from Bangladesh.

Although India proposed FTA (free trade agreement), the devil lies in the details. Many economists of both countries believe that in the days of economic globalization, closer integration of Bangladesh's economy with that of India is likely to bring benefits to both.

Before 1947, their geography gave them a common market, and a common communication and transit system. Now, as independent nations, both can take advantage of the most obvious similarities and the opportunities they have. (By the way, it is regrettable that there is no direct air link between Dhaka and New Delhi).

New era of cooperation

The foreign minister's announcements bring new hope that the two countries may steadily move forward to explore and exploit advantages that each nation has in the area of resources, so that they can make greater use of their own resources, national and collective, in trade, investment, energy and harnessing of water resources.

It is desirable that both countries should have comprehensive planning and a spirit of cooperation. Steps may be taken phase-wise, but the comprehensive view must not be lost on the way.

Prime Minister Dr. Manmohan Singh's call at the Dhaka summit that: "All South Asian countries would provide to each other, reciprocally, transit facilities to third countries, not only connecting one another, but also connecting to the larger Asian neighbourhood, in the

Gulf, Central Asia and South East Asia" was a visionary statement. Leaders of all South Asian countries must seize this opportunity to make it happen.

Water resources development and Tipaimukh Dam
Water resources management of common rivers requires multilateral effort and endeavor among riparian countries. Any siphoning-off of water upstream will certainly affect downstream flow. No upper-riparian country can interfere, or disturb by artificial structures, the normal flow of a common river without consultation and agreement with co-riparian countries.

The foreign minister's statement that the Tipaimukh 1500 MW hydro-electric dam on the Barak river, across the Bangladesh border in the east, will not divert water from the river appears to skirt the real issue.

The issue in the Tipaimukh dam is not the diversion of water, but the storage of water of the Barak for generating electricity that India, reportedly, might sell to other countries. Bangladesh water resources experts believe that the dam will have a negative impact on the normal flow of water of the Barak, and that is of great concern to Bangladesh.

Any interference in the normal flow of water in the Barak would have an adverse effect on the Surma river in Bangladesh that, in turn, feeds the mighty Meghna river that flows through Bangladesh. Therefore, the adverse chain effect of the Tipaimukh dam in Bangladesh needs to be addressed.

Furthermore, no detailed plan of the dam has been provided to Bangladesh to assess its full impact on Bangladesh. India, being an upper-riparian country, has an obligation under international law, coupled with the spirit of good neighborliness, to discuss the construction of such a huge infrastructure on the common river with lower-riparian Bangladesh.

India is a coal-rich country, Bangladesh is gas-rich, and Nepal is hydro-rich, with potentiality of 80,000 MW. It is desirable that Bangladesh, India and Nepal should establish a common energy grid, and harness the water resources of the Ganges-Brahmaputra-Meghna (GBM) basin to utilize the hydro-power potential.

Saarc summit in New Delhi

Let me say a few words about the April summit in New Delhi. The 14th summit is a great opportunity for the leaders of South Asia to discuss, and map out, a strategy for long-term and common benefit of the 21% percent of the world's population of 1.3 billion people (including 50% percent of the world's poor) who live in South Asia.

Many believe that previous summits were very much pageantry shows. The Summit Declarations were largely "motherhood statements," and concrete action on key issues was absent. Against this background, the New Delhi summit should be a working one, without much fanfare. The ceremonial aspect of the summit may be kept to a minimum, like that of the G-8 summit.

Furthermore, agenda-items in the past summits were too many, like in the UN General Assembly, and lacked sharp focus.

It is desirable to priorities items for the summit, and it should not be more than five common "burning" issues. It is suggested that at the New Delhi summit may include items such as energy, transit and communication, water resources development management, and environment. A monitoring cell may be created by Saarc nations to oversee the implementation of decisions.

It is in the long-term interest of India to have cooperative and friendly relations with a neighbour, because a disgruntled neighbour may place difficulties in the way of India's pursuit of long-term regional or global interests. At the same time, Bangladesh has to face the challenge of living with the reality that India is a rising power in Asia, with its own regional and global interests.

In this context, the Indian foreign minister's visit has injected a fresh dynamism in Indo-Bangladesh relations. One hopes that the stage has been set for a mature partnership.

There is no adequate reason why the relations between the two neighbors cannot but be friendly and harmonious if understanding and mutual respect for each other exist.

The author is former Bangladesh ambassador to the UN, Geneva.

Is Dhaka the victim of the first city bias? Pakistan in trouble

Cities have existed for over 5000 years, but by 1800 only 2 percent of the world's population was urban. Growing urbanization has never been a big problem in developed countries. But, in the near future, it will be one of the biggest problems faced by developing countries, including Bangladesh. The only way to solve this problem is to give up our first city bias, and to create regional growth centers in other parts of the country.

MD. ABUL BASHIR

DEVELOPMENT
economics argues that in many developing countries the first, or the largest, city receives a disproportionately large share of public investment compared to the other small towns of the country.

As a result, the first city receives a disproportionately large share of population and economic activities. At the end of the day, life in this apparently attractive city becomes acrimonious for a large segment of residents.

Because of relatively more job opportunities and better living conditions, people from other parts of the country migrate to the first city. Unfortunately, not all of these migrants get jobs in the formal sector of the economy.

Those who fail to manage a decent job start living in the slums, and get involved in legal and illegal informal activities. As a result, the first city bias ultimately results in the deterioration of the overall environment of the first city. Is the rampant growth of the population in Dhaka city, and the consequent growth in the slums and slum-dwellers, the outcome of the "first city bias?"

According to a forecast by UN Habitat, the population of Dhaka will increase to 21.1 million in

2015, from 12.3 million in 2000. A large number of European and Latin American countries will have a smaller population than Dhaka.

The world's population is growing at annual rate of 1 percent, but the rate of urbanization is 1.8 percent. The rate of urbanization is even higher in developing countries, ranging from 2 to 3 percent.

Although, currently, most of the ten biggest cities of the world are situated in developed countries, by year 2015 most of them will belong to the developing countries. Dhaka will become the 4th largest city in the world in terms of total population. Needless to mention that, at the same time, Dhaka will possibly have the highest number of slum dwellers in the world.

By analyzing the data from 85 countries, Alberto Ades and Edward Glaeser (1995) argue that unstable dictatorships and democracies (fearing the overthrow) provide "bread and circuses" for the first city to prevent unrest.

This extreme bias towards the first city, in turn, attracts more migrants to the favoured city, necessitating a larger supply of bread and circuses. Todaor and Smith compare the focus on national government spending on the capital city with the "rent-

sharing" policies in Ancient Rome in its period of expansion.

We all know that Bangladesh, since its emergence, has been experiencing either unstable military dictatorships or very weak democracies. These governments did everything to "buy off" the population of the capital city.

Better jobs, wages, infrastructure, and other government services concentrated in Dhaka attract an ever-growing migrant population, which in turn intensifies the deterioration of the living conditions of the city.

Recently, the World Bank published a report on the investment climate in South Asia. The report makes a comparison among four cities/towns in Bangladesh in terms of "ease of doing business." They are Dhaka, Chittagong, Khulna, and Bogra.

They use different criteria, like how easy it is to start a business, deal with licensing, employ workers, register property, get credit, protect investors, pay taxes etc. Dhaka is on top in that ranking, and Bogra is at the bottom. It means that, within Bangladesh, Dhaka is the best place to do business. This is another reflection of our first city bias.

The slum population in Dhaka has doubled in a decade, to reach

3.4 million in 2006 from only 1.5 million in 1996, following heavy rural-urban migration, according to a recent study. Of the 3.4 million people, 2.5 million live within the Dhaka City Corporation area.

According to the study "Slums of Urban Bangladesh, Mapping and Census 2005," which was jointly conducted by the Centre for Urban Studies (CUS), National Institute of Population Research and Training (Niport) and the Measure Evaluation of Carolina Population Centre of the University of North Carolina, the density of the slum population is 891 per acre, which is eight to ten times higher than the average city population.

Most of the slum dwellers are the hard-core poor. Defining the hard-core poverty line as an income level of Tk 3,000 per month, and moderate as Tk 5,000, the study also found that over 90 percent of the slum people live below the poverty line, while nearly 40 percent are below hard-core poverty line.

Cities have existed for over 5000 years, but by 1800 only 2 percent of the world's population was urban. Growing urbanization has never been a big problem in developed countries.

But, in the near future, it will be one of the biggest problems faced by developing countries, including Bangladesh. The only way to solve this problem is to give up our first city bias, and to create regional growth centers in other parts of the country.

The author, a Research Fellow, Bangladesh Institute of Development Studies (BIDS), is currently teaching at Willamette University, US.

Instead of focusing all their energies on maintaining military power, Pakistan's rulers must recognize the weakening of the essential qualities of being a state reflected in the general lawlessness and widespread violence in the country. Adherence to the constitution, restoration of rule of law, normal contestation for power, and the rebuilding of civilian institutions are essential if Pakistan is to avoid a slide into anarchy.

HUSAIN HAQQANI

THE developments of the last fortnight can be seen as a sort of balance sheet reflecting the strengths and weaknesses of the Pakistani state. During this period, Pakistan successfully tested the latest version of its long-range nuclear-capable missile.

The Hatf VI (Shaheen II) ballistic missile, launched from an undisclosed location, is said to have a range of 2,000 kilometers (1,245 miles) and has the capability to hit major cities in India, according to Pakistan's military.

For those who measure Pakistan's success in terms of the military balance with India, this addition to Pakistan's missile arsenal is a sign of the country's expanding strength.

Other events, however, indicate that Pakistan's supposed ability to externally project its power is not matched with the potency of an effective state at home. Up to 17 people, including a senior civil judge, were killed and 30 wounded in a powerful suicide bombing in the Quetta District Courts compound on February 17.

The next day, two children were killed and three security force personnel were seriously injured in two separate land-mine explosions in Balochistan. The same day, at least 67 people were killed and over 50 wounded in a fire that swept

through two coaches of the India-Pakistan Samjhota Express.

In the relatively sleepy central Punjab town of Cheechawatni, three suspected militants were killed when a bomb they were carrying on a bicycle accidentally exploded.

On February 20, an Islamist "fanatic" shot and killed the Punjab provincial social welfare minister, Zile Huma Usman, in an open court in Gujranwala. The attacker said that he wanted to punish the woman minister for not covering her face, which he considers obligatory under his interpretation of Islam's concept of Hijab.

Mrs. Usman's killer also revealed that he wanted to kill Mohtama Benazir Bhutto, the Muslim world's first woman prime minister, for offending him by keeping her face uncovered.

A couple of days later, at least seven people were seriously injured in two separate land-mine explosions in Balochistan, while unknown assailants blew up a gas pipeline in the restive province.

Several hundred female students from an Islamic seminary in the center of Islamabad have been holed up for the last month inside a public library. The protesters' supporters have threatened that a campaign of suicide bombings would follow if they were forcibly evicted from the occupied library.

Five private English medium schools providing co-education in

Peshawar were forced to remain closed after they were told that suicide bombers might target co-education private schools. A school for girls in Mardan was warned that its building would be bombed if teachers and students did not start observing Hijab or wearing veils.

In other news with bad implications, an editor of an Urdu daily, Sohail Qalander, and his friend, Mohammad Niaz, managed to escape from captors who had kidnapped them almost two months ago.

Mr. Qalander said that he and his colleague were held somewhere in the tribal areas along Pakistan's border with Afghanistan, and were tortured and threatened. The kidnappers demanded that the journalists "stop writing against smugglers, kidnappers and mafia groups."

The negative news stories of the last fifteen days affirm what official Pakistan refuses to acknowledge, the gradual weakening of the Pakistani state. Notwithstanding the possession of nuclear weapons and missiles, Pakistan is far from being an effective state.

In fact, one can argue that in the process of building extensive military capabilities, Pakistan's successive rulers have allowed the degradation of essential internal attributes of statehood.

An important attribute of a state is its ability to maintain monopoly, or at least the preponderance, of

public coercion. The proliferation of insurgents, militias, mafiosi and high ordinary criminality reflect the state's weakness in this key area.

Discussion of Pakistan's politics, especially its successes and failures, is almost always about the personalities rather than the issues. As the Pakistani state falters, it is not the time to talk only in terms of whether one individual is better for the country or another. It is time to identify where the Pakistani state lost its direction.

A modern state is distinguished by impersonal rule. Personalization, corruption, familial dominance and re-tribalization are considered signs of weakening of the state. Failure of rule of law, weak judiciary, failure of regulation, and the dominance of a lawless executive, coupled with the failure to maintain public goods (education, environment, public health, electricity and water supply) are all considered indicators of state failure by political scientists. Autonomists, secessionists, irreconcilables and vacuum fillers emerge wherever the dimensions of being a state begin to weaken.

Instead of focusing all their energies on maintaining military power, Pakistan's rulers must recognize the weakening of the essential qualities of being a state reflected in the general lawlessness and widespread violence in the country.

Adherence to the constitution, restoration of rule of law, normal contestation for power, and the rebuilding of civilian institutions are essential if Pakistan is to avoid a slide into anarchy.

Husain Haqqani is Director of Boston University's Center for International Relations, and Co-Chair of the Islam and Democracy Project at Hudson Institute, Washington D.C.

The elusive Quds Force

The relationship between the Quds Force and figures like Iraqi President Jalal Talabani or Abdul Aziz al-Hakim of the Supreme Council for the Islamic Revolution in Iraq (both of whom have been received in the White House recently) goes back two decades to the days when only Tehran was aiding Saddam Hussein's enemies.

CHRISTOPHER DICKEY AND JOHN BARRY

THE Iranian Special Operations unit called the Quds Force has for years been accused, with or without evidence, of assassinations and terrorist attacks as far away as Argentina.

But its specialty is different: striking fear in the hearts of generals.

Over the past 25 years, the Quds Force has proved ferociously effective at organizing, training and equipping guerrillas to confront the world's most vaunted armies.

Quds played a vital role in creating Hizbullah to fight the Israelis in Lebanon. It supported the legendary Ahmed Shah Massoud against the Russians and his Taliban rivals in Afghanistan.

Quds helped the Bosnians hold back the Serbian war machine. And now -- it's in Iraq.

"What matters is that they're there," President George W. Bush said last week. Precisely why, at whose direction or invitation, and with what long-term goals: all that remains in doubt.

Bush, even as he said the group had "harmed our troops," suggested

how much remains unknown: "I do not know whether or not the Quds Force was ordered from the top echelons of (the Iranian) government.

But my point is: what's worse -- them ordering it and it happening, or them not ordering it and it happening?"

Actually, what's worse is that the unit appears to be as close to America's Shiite and Kurdish allies

as to splinter groups accused of killing perhaps 170 of the more than 3,000 American soldiers who've died in Iraq.

The relationship between the Quds Force and figures like Iraqi President Jalal Talabani or Abdul Aziz al-Hakim of the Supreme Council for the Islamic Revolution in Iraq (both of whom have been received in the White House recently) goes back two decades to the days when only Tehran was aiding Saddam Hussein's enemies.

"Do the Americans think they would stop

working with us because Americans told them so?" says an Iranian intelligence official who is not authorized to speak on the record. Quds operatives captured recently were working directly under the protection, respectively, of Talabani and Hakim.

Because of the bad intelligence that the Bush administration used to pave the way to war with Iraq in 2003, skeptics worry it may be using similar tactics to provoke a fight with Iran.

But when it comes to the Quds Force, the American military's concerns are much more

down to earth.

The weapons known as "explosively formed penetrators" or EFPs, which Quds allegedly helped design and supply to some Shiite factions in Iraq, send a molten slug at phenomenal speed through heavy armor.

Each one costs perhaps \$50, but is capable of crippling an Abrams tank that costs more than \$4 million, and they are increasingly common.

Meanwhile, since the beginning of the year, US helicopters have been shot out of the sky with unprecedented frequency.

Although none of the five confirmed shoot downs have been linked to the Quds Force, or to Iran, US commanders are worried about their troops' ability to move on the ground and in the air.

So they're looking for any way to relieve the pressure -- to stop the flow of Iranian arms -- three Army sources told NEWSWEEK on condition of anonymity.

Publicizing the threat and pushing back against Iran is one idea. But taking aim at this new enemy will be a challenge, given the risk of hitting a friend.

