

Delhi summit a sign of productive bilateralism

We look forward to quick progress on water-sharing issue

ON balance, Prime Minister Sheikh Hasina's official visit to India can be characterised as an exercise in productive bilateralism. A crucial point here is that the visit, the first for a Bangladesh leader in a long number of years, has provided the heads of government of Bangladesh and India with the opportunity to engage in summity to review the ties between the two countries. There is hardly any question that these ties have in recent years often been marked by acrimony generated by a number of issues affecting especially Bangladesh. Issues such as trade, transit, water-sharing and suspicions on the harbouring of criminal and even terrorist elements in each other's territory have created quite a few barriers in the way of cooperation between the two nations.

Against such a background, the summit in Delhi can be considered a determined step toward a revitalisation of relations between Bangladesh and India. How such revitalisation can be made substantive has come through the agreements, three in all, which Delhi and Dhaka have reached on jointly battling terrorism and organised crime and on a mutual transfer of convicted prisoners. Add to these the memoranda of understanding (MoUs) penned on cooperation in the power sector and in the field of cultural exchange. India's willingness to export 250 megawatts of electricity to Bangladesh is a significant step considering Bangladesh's present difficulties in the sector. Moreover, Delhi's offer of a line of credit to the tune of \$1 billion to Dhaka as assistance to the latter for infrastructure development provides yet another dimension to bilateral ties.

Clearly India's affirmative approach to the removal of 47 Bangladeshi products from Delhi's negative list as a way of facilitating increased, duty-free entry of Dhaka's goods in the Indian market is welcome and hopefully more items would be added to the basket. At the same time, Delhi's agreeing to cater for Bangladesh's need for transit to and from Nepal and Bhutan would help connectivity in the region. On the cultural plane, the fact that the two countries have decided to observe the 150th birth anniversary of Rabindranath Tagore in 2011 is once more reflective of the common bonds of tradition Bangladesh and India are heir to.

With all the controversy and indeed fears generated over the long-term effects of the Tipaimukh dam on Bangladesh, we expect that Bangladesh's concerns will be fully met. As it is, the Indian Prime Minister has assured our Prime Minister of not doing anything that will harm the interest of Bangladesh in any manner. That said, there is yet the unresolved issue of a sharing of the waters of the Teesta and other common rivers, a point the Bangladesh leader raised with her Indian counterpart. Rivers being an integral part of life in Bangladesh, it is simply not enough to say that water-sharing has been discussed. It is critically important that substantive discussions on the issue begin in light of the just-concluded summit in Delhi. The goodwill generated by Sheikh Hasina's visit should facilitate satisfactory resolution of the water-sharing issue.

The familiar ADP implementation pattern

Time for review and change of gear

DESPITE the elected government's seriousness early in the day to push ADP implementation from the very beginning of the financial year which has been traditionally marked by a long-drawn-out warm-up phase, not much of a momentum has been generated this time in terms of utilisation of development allocations. Unfortunately the first six months have seen only 28 percent utilisation of the total ADP allocation. Resultantly, the government is faced with an impossible task of spending remainder 72 percent of the allocated resources.

Inevitably, the ADP will have to be slashed. What is to be noted here is that the downsizing is occurring not as a result of deficit in resources. On the contrary, revenue and foreign aid flows have been 'satisfactory'. Still, the government cannot afford any big cutback on the size simply because it needs to enhance public expenditure to generate employment and increase internal demands for a sustainable economy.

As it is, the ADP includes a large number of carry-over projects that keep burdening development planning, so that the physical targets will have to be met along with priority implementation of the new projects coupled with quality assurance. So, the overall need is to basically accelerate the pace of implementation.

Against this backdrop, the government is doing a mid-term review of the annual development plan. It is of utmost importance that the reappraisal-cum-readjustment exercise that the government is about to undertake should take into consideration the questions of meeting not just financial and physical targets of projects but also those of quality. For, it has been observed over the years that the ministries while accelerating the pace of implementation towards the end months may not be sufficiently defential to quality aspects.

While project implementation can be greatly facilitated by delegation of authority to project directors in tandem with quick disbursement of funds, we believe for targeted performance of the ADP, the role of Implementation, Monitoring and Evaluation Division (IMED) of the Planning Ministry will have to be recast and beefed up.

Looking back at those times

Because of the Fakhruddin Ahmed caretaker administration, we are better off today than we were when lajuddin's men commandeered the country. Things are not perfect, sure. But we do breathe a lot easier than we did before.

SYED BADRUL AHSAN

THREE years ago this month, to the relief of the people of Bangladesh, the caretaker cabal led by lajuddin Ahmed was pushed from office through a proclamation of emergency. What then transpired was simple historical necessity brought about through the rise of a new administration that quickly went into the business of setting things back in order.

Backed by the army, the Fakhruddin government made it known that it would be in office for close to two years, a period of time that would be given over to restoring certain fundamentals without which the idea of democracy would only dwindle into a pipe dream. It was reform of the political system, indeed of all the corollaries that came with the system, that the new caretakers, armed with emergency powers, meant to go for.

Three years on, with a new popularly elected government in charge, it would be well to reflect on things that have been because of the new caretaker government and that might not have been had the lajuddin coterie been allowed to hang on to power. Make no mistake: it was an

entrenched regime that lajuddin ran, or tried to run. The president-cum-chief advisor gave scant importance to his council of advisors.

The chief election commissioner, stubborn in his refusal to ensure a fair election, oversaw the preparation of a voters' list that included individuals who did not exist. Tens of thousands of fictitious voters made it to the list even as innumerable others, those who had in earlier years qualified to vote, saw their names struck off. The Public Service Commission was in the vicious grip of partisan politics. The Anti-Corruption Commission had only gums and no teeth.

The interim regime put paid to all that. No matter how often and in how many ways the Fakhruddin administration is pilloried by people (and there is no dearth of them, especially those who had dreamed of a dubious return to power with lajuddin running the show), the truth is incontrovertible that the two years between early 2007 and late 2008 brought about a positive transformation in some significant sectors in the public domain.

A.T.M. Shamsul Huda and his colleagues in the Election Commission have

without question restored the credibility of the body through their deft handling, with occasional stumbles, of its operations. The PSC was freed of questionable elements and put back to purposeful work. And the ACC, with Hasan Mashhud Chowdhury at the top, put the fear of the law and morality among the corrupt segments of the political class.

The army did a good thing of resisting temptations of seizing power. It did an even better thing of preparing a fresh electoral roll through incorporating voter identity cards, thereby precluding any chances of a rigging of election results.

And yet there are those who today question the legitimacy of the Fakhruddin caretaker government. Let there be no doubt that the ouster of the lajuddin outfit was one of the more positive things (two others were the fall of the Ershad regime in 1990 and the repeal of the notorious Indemnity Ordinance in the late 1990s) to happen in the history of this country. Had the change over not come in, had lajuddin and his political patrons prevailed, fire and fury would sweep the country. Good would yet be battling evil on the streets of the land, of the kind we were all witness to in late October 2006. That is the unvarnished truth.

But there are too the darker aspects of the emergency we will not forget. The uncivil manner of the arrest of Sheikh Hasina and Begum Khaleda Zia, the humiliation inflicted on elderly politicians and businessmen on remand, the

onslaught on the universities and the mistreatment of academics and students alike -- these and similar happenings have taken much of the shine off the Fakhruddin caretaker administration. It was folly bordering on criminality to try to prevent the chief of the Awami League from returning home from abroad, to try to force the chairperson of the Bangladesh Nationalist Party to go into exile. The "innovation" that was the minus-two theory was a joke.

The attempt to drive a wedge among the political classes through encouraging party "reforms" with the assistance of a handful of politicians was an embarrassing exercise the army-backed government could have done without. Looking the other way as some men gave shape to new political parties, even as emergency harshness was applied to all other parties, caused cracks in the government's armour of integrity. Some advisors spoke a little too much and irritated the nation.

And so there it is, these good and not so good memories we have of the times between January 2007 and December 2008. On balance, though, there is little way of avoiding the truth. It is a simple truth. Because of the Fakhruddin Ahmed caretaker administration, we are better off today than we were when lajuddin's men commandeered the country. Things are not perfect, sure. But we do breathe a lot easier than we did before.

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Dhaka-Yangon maritime boundary talks

Given the spirit of goodwill and mutual respect for each other, I would argue there is no adequate reason why the maritime boundary issue cannot be resolved to a mutually accepted solution, as many neighbouring countries have done across the world.

HARUN UR RASHID

IT is a good news that during the recent meeting (January 8 and 9) in Dhaka, the delegations from Bangladesh and Myanmar were able to agree on the method of delimitation of sea boundary.

They reportedly agreed on the combination of both methods -- equidistant and equity of resources -- to draw the boundary. It is not only a big step forward to achieving a successful outcome but also demonstrates the determination of both countries to resolve the issue bilaterally.

The talks at earlier stages bogged down on how to proceed in demarcating the maritime boundary in the Bay of Bengal. While Bangladesh had proposed equity of resources as the method, Myanmar insisted on apply the equidistant method. Bangladesh's case was that if equidistant method was applied a gross distortion would take place in the boundary line, making it much narrower than Bangladesh deserved, and was thus not acceptable.

The 1982 Convention on the Law of the Sea provides guidelines for drawing maritime boundaries between states.

Bangladesh ratified the 1982 UN Convention on the Law of the Sea (UNCLOS) in July 2001 while Myanmar ratified it in May 1996. This means that

both states are legally bound by the provisions of the UNCLOS in delimiting the maritime boundary.

There are three issues to be settled with Myanmar with regard to delimitation of maritime boundary: (a) Territorial Sea (b) Exclusive Economic Zone (c) Continental Shelf (seabed).

The territorial sea extends to 12 nautical miles, the exclusive economic zone to another 188 miles and the continental shelf may extend another 150 miles. In all, 350 miles of maritime boundary are involved.

The jurisdiction of a state on territorial sea is three-dimensional -- control over airspace of the territorial sea, surface water and seabed, except "innocent passage" of foreign ships, while the jurisdiction on economic zone and continental shelf is resources-oriented. States have the exclusive right to explore, exploit, preserve, conserve and protect living and non-living resources of the sea of these areas.

With regard to the territorial sea, Article 15 of UNCLOS provides the equidistant method for its delimitation, unless the states concerned agree otherwise.

The equidistant method is drawing a median line, every point of which is equidistant from the nearest points on the baselines from which the breadth of the territorial sea is measured. It is a line

based on geometric calculations.

With regard to the delimitation of economic zone and continental shelf UNCLOS, in Articles 74 and 83, does not provide equidistant method as the basis of agreement.

Both the Articles provide that the delimitation agreement on economic zone and continental shelf must achieve "equitable solution." That means justice and fairness must guide the negotiations, leading to an equitable solution.

I would argue that Bangladesh's concavity and heavily indented coastline, natural prolongation of its land territory to the continental shelf, its scanty natural resources in proportion to the huge population, and the general orientation of its topography are some of the factors to be considered by Myanmar in determining the maritime boundary of Bangladesh to achieve an equitable solution, as contemplated by the UN Convention.

Another fact to be borne in mind is that the claim in the areas in the Bay of Bengal constitutes about 10-12% of Myanmar's but Bangladesh's stake is 100%. Bangladesh should get a fair and just share of the continental shelf (sea bed) of the Bay of Bengal in terms of the UN Convention.

It is further claimed that equidistance method, if applied, will lose 48,025 square kilometres to Myanmar. Bangladesh's total claimed maritime area, according to some researchers, is 2,07,000 square kilometres in the Bay of Bengal under the 1974 Bangladesh Territorial Waters and Maritime Zones Act.

The very fact that Bangladesh and Myanmar sat for negotiations on maritime boundary in April 2008 after a lapse of 22 years demonstrated the willingness of both countries to achieve an accord on

this important issue when sources of energy are explored in maritime areas (sea bed).

Negotiation implies persuasion and compromise without abandoning vital national interests. It is compared to a game where the ball is always on the move and all endeavours are made for the ball not to be with one side. Negotiations involve understanding of the other's point of view, and in all successful negotiations it becomes necessary to give something in return to the other side.

The peoples of Bangladesh and Myanmar are neighbours and have stood the test of friendship and amity since time immemorial. The Bangladesh foreign minister visited Myanmar in May 2009 and discussed many bilateral issues that would strengthen further the bonds of friendship between the two countries. Against this background, it is heartening that bilateral negotiations on sea boundary have gained momentum and that the next meeting will be held in April.

Given the spirit of goodwill and mutual respect for each other, I would argue there is no adequate reason why the maritime boundary issue cannot be resolved to a mutually accepted solution, as many neighbouring countries have done across the world.

It is noted that although Bangladesh has lodged the issue of the sea boundary to international arbitration under Chapter XV of UNCLOS, it does not exclude bilateral negotiations to a successful outcome and, in fact, UNCLOS emphasises bilateral agreement as a preferable method to achieve a mutually satisfactory result.

Barrister Harun ur Rashid is a former Bangladesh Ambassador to the UN, Geneva.

New jute policy needed

Revival of the jute sector will certainly assist in rejuvenating the rural economy directly and indirectly. What is needed now is formulation of a good jute policy with the close cooperation and effort of ministries of jute, agriculture, industry and textiles.

A.B.M.S ZAHUR

JUTE was the largest foreign exchange earner for Pakistan during 1947-71. It played a major role in industrialisation. Even after the liberation of Bangladesh it remained as the biggest foreign exchange earner till early '80s.

It's common knowledge that before independence industries in Bangladesh were overwhelmingly dominated by non-Bangalees. As such, Bangladesh lacked the skills required to manage jute industries.

This resulted in turning of the profitable jute mills into loss-making ones after the Bangladesh government took over. Irregular or delayed payment of dues discouraged the growers from selling their products to government mills. Thus, good quality raw jute was smuggled out to India. With the fall of regular export of raw jute and the mismanagement of jute mills, it started losing its pristine glory and vitality.

It is difficult to evaluate the structures and performances of industries in general in Bangladesh due to the lack of reliable and comprehensive statistics. The losses sustained by the manufacturing enterprises may be attributed to lack of proper management skill, labour absenteeism, power crisis, cost price squeeze, poor maintenance of machinery, shortage of working capital, low labour productivity, foreign exchange constraint, lack of improvement in capacity utilisation etc.

To illustrate the point further, it may be stated that the total profit of the 38 jute mills of Bangladesh Jute Mills Corporation's (BJMC) during 1985-90 was only Tk.800 million. In fact, public enterprises were made dependent on allocation from Annual Development Program (ADP) and financing from nationalised banks.

A major management problem of public enterprises has been the allocation of

responsibilities and related accountability among the line ministries, sector corporations and enterprises. The government owns all the public enterprises. The sector corporations act as agents of the government in administering the sector. Presidential Order 27 of 1972 did not define the governmental authority over the corporations.

As a consequence, Bangladesh industries are continuing mainly with outdated technology. This has resulted in low productivity and high material cost for production. In fact, it is time that Bangladesh adopts a technological profile to meet the techno-economic need.

One of the right policies of the government appears to be slowing down the pace of privatisation of industries. In fact, privatisation should be totally stopped till new investments are encouraged. Another good step by the government would be to adopt necessary measures to revive the jute sector. Fortunately, raw jute is now fetching high price, and its export market has picked up. It is reported that state-owned jute mills are approaching the break-even point.

Seven out of sixteen public sector mills are now making a monthly profit of around Tk.20 million on an average. The other nine mills have been able to reduce

their losses significantly.

Among the profit-making mills are Latif Bawany Jute Mills, Karim Jute Mills, Alim Jute Mills, Rajshahi Jute Mills and Carpeting Jute Mills. The other nine jute mills will reach break-even soon.

The workers have regained their confidence and production, export and prices have gone up (production from 300 to 585 bales monthly, export price from \$62.5 to \$94 per bale). The wages of jute workers increased 20% from October 2009. Price of raw jute has gone up from Tk.1,000 to Tk.1,700 per bale.

High rise in raw jute prices is regarded by some analysts as a threat. The government has already provided Tk.3,000 million to BJMC in time. BJMC has further pleaded for control of price by imposing a ban on export of raw jute. The government is reported to be examining the proposal.

Revival of the jute sector will certainly assist in rejuvenating the rural economy directly and indirectly. What is needed now is formulation of a good jute policy with the close cooperation and effort of ministries of jute, agriculture, industry and textiles. Proper implementation of the policy may make the jute sector dynamic.

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