

Selected extracts from February's issue of Forum

The Next Step

REHMAN SOBHAN

THE recently concluded visit of Prime Minister Sheikh Hasina to India for the first formal summit meeting of her new regime, with her counterpart Dr. Manmohan Singh, promises much. It would, however, be unreasonable to assume that in such a visit outstanding problems, left festering due to the neglect of previous regimes, would be subject to instantaneous resolution. Nor may we expect that anything would happen to warrant the leader of the opposition laying out a carpet of thorns for the returning delegation or indeed to now launch a political movement to protect our national sovereignty.

Since our prime minister is now committed to a process of Din Bodol, she possibly hoped to extend this agenda into the realm of Indo-Bangladesh relations. Such changes in relations, which tend to become petrified due to the failure of previous regimes to act decisively, will take time. Most regimes in the past have lacked both the will and the courage to resolve

outstanding issues lest they have to back down from their maximalist demands.

The end result of such a strategy of inertia in Indo-Bangladesh relations has largely worked to the disadvantage of the smaller neighbour, which happens to be Bangladesh. Time and tide waits for no country, it moves on and usually in favour of the larger party. Sheikh Hasina, thus, needs to take cognisance of the fast changing realities which continue to influence the balance of power in interstate relations.

Embarking on a new phase in Indo-Bangladesh relations at the beginning of the second decade of the 21st century, Bangladesh's leaders need to recognise that India has moved a long way from the years of the 1970s when our initial relations were forged. Then, India was part of the fault line in the Cold War where, countries in a state of contention with India, could expect to invoke some sympathy if not support from the United States and even China. India, large as it was in size and numbers compared to Bangladesh, was still a developing

economy, plagued by economic problems, and much more vulnerable to external economic pressures.

Today, India is on the way to becoming a global power. Its economy is now highly diversified, much more modernised and hence competitive in global markets. In such frontier areas as information technology it is emerging as a global leader. In the next two decades, India is projected to graduate into becoming the third largest economy in the world (in purchasing power parity terms), after China and United States.

As a result, India is being wooed by all the major economic players, including China, which is now India's second largest trading partner, and may, in the next few years, emerge as India's largest economic partner. South East Asia also seeks partnership with India and is seeking to build closer economic and transport links.

The significance of this transformation in India's fortunes and its place in the global arena, is that it no longer needs to be over-concerned with the negative responses to its overtures to its immediate neighbours, which

include Bangladesh. It is obviously advantageous for India if it can earn the friendship and cooperation of its neighbours. It would be both sensible and statesmanlike for it to extend its global reach, situated within a harmonious neighbourhood. However, the establishment of such a zone of harmony is hardly indispensable for establishing India's presence in its global and regional relations, where much bigger opportunities beckon than are on offer in its immediate neighbourhood.

In the circumstances indicated above, if Bangladesh prefers to remain disconnected from its larger neighbour this is certainly inconvenient for India and will add to the costs of its economic transactions with its North-East region as well as its Eastern neighbours. But India has already initiated plans, at a recent India-Thailand-Myanmar summit, to bypass Bangladesh, with the three countries agreeing to invest in upgrading the Asian Highway which runs through these countries so that it becomes a superhighway for trade and transit. India has also initiated moves



for establishing connectivity between North-East India and Sittwe port in Myanmar, through investing in upgrading Myanmar's roads and navigability in the shared Kaladan river route to the port.

For the full version of this article please read this month's Forum, available free with The Daily Star on February 8.

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Rising Tides

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DESPITE solid development performance since independence, at around \$600 Bangladesh's per capita income remains very low. Poverty has come down from over 70 percent in the early 1970s to around 40 percent in 2005. Yet this level is very high and rural poverty is even higher at 44 percent.

A look at spatial distribution of development progress shows significant disparity between leading and lagging regions of Bangladesh. Notwithstanding progress in tackling natural disasters and establishing social safety nets, the poor in Bangladesh remain highly vulnerable to a range of internal and external shocks. The lagging regions are mostly border districts. The labour force is mainly engaged in low productivity agriculture; connectivity with growth centres is limited; human indicators are weak; and good jobs are scarce.

combination of performance on six areas: customs, infrastructure, international shipments, logistic competence, tracking and tracing, and timeliness.

The 2010 ranking is an improvement in performance over 2007, yet this performance is much lower than the rankings achieved by competitors (China at 13, India at 47 and Vietnam at 53). Bangladesh scores particularly low on customs procedures and on infrastructure and logistic competence.

**Infrastructure constraint:** Energy crisis is already constraining growth by an estimated half percent of GDP. This constraint is rapidly growing in intensity and needs to be tackled on a crisis footing. To meet expected power demand of 6,600MW in 2010, installed capacity needs to grow to 8,000MW as compared with 5,200MW presently. This 30 percent shortage of power generating capacity (2,800 MW) will challenge policy.

Linked to this, the availability of primary fuel is a huge worrisome factor. Gas accounts for some 70% of primary fuel for commercial use. Rapid growth in demand for gas without commensurate expansion in supply has caused the emergence of excess demand for gas. Present shortfall in gas supply exceeds 10% leading to rationing.

Power outages are estimated to lower GDP by an estimated \$1 billion per year. Electrification ratio expanded rapidly since the early 1990s, growing from 10 percent in 1994 to 37 percent in 2008. Yet, this is still amongst the lowest in the developing world. In the rural economy, low power connectivity is a serious constraint to non-farm sector growth and human development. Inadequate investment in primary fuel (gas, coal, and hydro-power) raises serious concerns about the severity of future energy constraint.

**Water and climate change:** Ganges-Brahmaputra-Meghna river basins are home to 530 million people. The water is shared between India, Nepal, Bangladesh, China, and Bhutan). Among the challenges for water management include: increased pressure on water resources from growing population; growing water pollution; increased vulnerability from climate change especially as the monsoon is expected to be more severe and less predictable; reduced dry-season flows; increased intensity and frequency of water

related hazards; sea level rise and salt-intrusion. Countries acting alone cannot effectively address these risks.

For the full version of this article please read this month's Forum, available free with The Daily Star on February 7.

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NAZRUL ISLAM

IT is a welcome development that the relationship between Bangladesh and India is expected to have turned for the better following Prime Minister Sheikh Hasina's recent India visit. It has been reported that trust has been re-established as a result of the goodwill measures taken by Bangladesh in response to India's security

The Key Issue

and economic needs pertaining to her North-Eastern states.

The question that many are discussing is how India should reciprocate these goodwill measures of Bangladesh. Many suggestions have been made. We argue here that the most important way in which India can reciprocate Bangladesh's goodwill steps is by restoring and ensuring undiminished flows of the shared rivers.

Given her geography, the most important bilateral relationship for Bangladesh is the relationship with India. And, among all the different bonds that Bangladesh and India have, rivers provide the most important bond. Almost all of Bangladesh's major rivers enter her territory via India.

As the upper riparian country, India therefore holds over Bangladesh an enormous leverage, which she has been using to her advantage. The most damaging for Bangladesh has been river flow diversion, which violates Article 7 (obligation not to cause significant harm) of the 1997 UN Convention on the Law of the Non-Navigational Uses of International Watercourses.

This article clearly says that: "Watercourse states shall in utilizing an international watercourse in their territories take all appropriate measures to prevent the causing of significant harm to other watercourse states."

There is hardly any doubt that diversion of river water by Farakka, Gozaldoba, and other such structures constructed by India has caused "significant harm" to Bangladesh's ecology and economy. Now that goodwill has been restored, Bangladesh should ask for the undiminished flow of rivers, instead of negotiating for a "share" of the river flow.

Restoration and ensuring undiminished flow of rivers is in the long-term interest of India as well. First, diversionary structures erected by India have proved to be of very limited benefit for India, particularly in view of the opportunity cost of resources spent.

Second, unless undiminished flows can be restored, rivers of Bangladesh will not be navigable enough to make the connectivity provisions of the recent agreements fruitful, frustrating India's intention to ease transportation of good to and from her North-Eastern states.

Third and most important, India must restore undiminished river flow in order to thwart the risk she faces from population

displacement that may occur in Bangladesh due to climate change. Sedimentation has been historically the most effective protection for the Bengal delta against sea level rise.

Diminished river flow cause sediment volume to decrease, making Bangladesh vulnerable to the submergence effect of climate change. By restoring full volume of river water and thereby of sediment flow, India can help Bangladesh counter sea level rise and thus avoid the threat of large-scale migration.

**Responses**

Prime Minister, Sheikh Hasina's recent India visit has generated considerable discussion. Many have applauded the visit, terming it as historic and as a landmark event in the way towards better relationship between India and Bangladesh. However, many opposition parties have deplored the visit, characterising it as a sellout, and judging that Bangladesh has achieved nothing in return to agreeing to use of her Chittagong and Mongla ports by India.

The very geography of Bangladesh suggests that she needs to have good relationship with India in order to prosper. History also points to the same conclusion. After all, India's help was crucial for the success of Bangladesh Liberation War.

Unfortunately, over the years, the relationship between Bangladesh and India turned from bad to worse. India complained that Bangladesh territory was being used for supporting subversive activities in North-Eastern states of India. While Bangladesh had been denying such activity, the ten-truck arms haul incident, and similar other incidents, have shown clearly that the Indian complaint has considerable basis.

The main outcome of the Hasina visit has been expression of Bangladesh's unequivocal commitment to stop any such subversion or insurgency abetting activities. Broadly, this stand applies to all types of terrorist and criminal activities. The commitment has been reciprocated by India, resulting in the agreements signed during the visit.

For the full version of this article please read this month's Forum, available free with The Daily Star on February 8.

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A Precipitate Outcome

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NO one expected that Prime Minister Sheikh Hasina's state visit to India would resolve all outstanding issues. It was a goodwill visit. It was to set the climate for negotiations and lay down a base for communications.

Despite all the euphoria over the visit it has been repeatedly underscored that relations between Bangladesh and India are motivated neither by good intentions nor by good neighbourly relations but by the logic of "realpolitik."

The key characteristics are caution, circumspection, pragmatism and hardball negotiations. It must be remembered that India never concedes an inch. Leader of the Opposition Begum Khaleda Zia categorically stated that Bangladesh was not anti-Indian. It was simply not oriented to making it easy for India.

The purpose of the visit was thus to lay down an agenda that would lay a foundation for follow-up over time -- a framework as it were, for discussion, agreement and subsequent implementation. Fundamental concerns of each side were to

be spelt out and a network of existing mechanisms and institutions were to be energised and reactivated.

**Bangladesh's Fundamental Concerns**

**Water Sharing:** 54 rivers cross into Bangladesh from India. In the last 38 years, a sharing agreement has been concluded on only one of them. Many in Bangladesh believe that the 30 Years Ganges Water Treaty is seriously flawed. It was concluded in haste and abandoned the major planks of Bangladesh's claims for a reasonable and equitable share. Furthermore, Bangladesh has no protection in seasons when there is a drastic fall in the flow of waters. The impact of this agreement has had disastrous adverse consequences for Bangladesh. The river-linking project embracing 30 rivers hangs over Bangladesh's head like a Damocles sword. The project is still on the books despite strong protest in India itself. It remains an incalculable threat to Bangladesh.

**Environment:** The issue of water sharing is compounded by larger economic, ecological and environmental hazards which call

for much greater cooperation especially with regard to watershed and catchment area management and control of pollution, etc. Environmental hazards wreak annual havoc to the tune of billions of dollars downstream. "No harm" assurances have never been realised.

**Land Boundary Issues:** Non-ratification by India 36 years after signing the 1974 Land Boundary Agreement has exacerbated tensions all along the 4096 km Indo-Bangladesh border. 6.5 km remain to be demarcated, constituting the core of the most disputed issues. Exchange of territories in adverse possession and enclaves in each others territory have now unnecessarily become hot spots of tension. Willful disregard of border ground rules and shoot to kill orders have seen mounting toll of innocent civilians killed. Movements of people across the border, trafficking in humans and drugs, border smuggling, etc remain constant pin-pricks. Two elements in particular contain huge potential for conflict: (i) exaggerated claims of large scale illegal immigration, and (ii) the building of a fence to deter such illegal immigration, check smuggling and prevent infiltration by



Indian insurgent groups. The fence has at points arbitrarily encroached within 150 yards against agreed border ground rules. India is now justifying that the fence does

not constitute a defense mechanism.

**Maritime Boundary:** Demarcation of the maritime boundary between adjacent states carries significant potential for competition

and conflict over living and non-living resources. Both India and Myanmar have adopted an unvarying stand on demarcation on the basis of the most rigid application of the equidistant line. A joint stand of India and Myanmar could cut-off Bangladesh's access to the limits of its Exclusive Economic Zone (EEZ) and Continental Shelf and deprive it of its legitimate rights over resources of the sea, sea-bed and sub-soil thereof. Bangladesh's case is based on equity. Government has precipitately embarked on arbitration with the international sea-bed tribunal. It appears to have now reverted to pursuing both options, i.e. arbitration and bilateral negotiations. The fact is that it has not yet firmed up its position in determining the equities of its case. One of the key elements is establishing Bangladesh claim for an extended continental margin up to 350 nautical miles.

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