

BOTTOM LINE

# Indo-Bangladesh Framework Agreement



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THE prime ministers of Bangladesh and India signed the "Framework Agreement on Cooperation and Development" on September 6 last year. It appears that the

Agreement has not received the examination that it deserves although the accord covers cooperation with India in almost all matters and ushers in a new phase of Indo-Bangladesh relations.

In the past, India always insisted on dealing with Bangladesh on the Ganges water issue at a bilateral level and rejected Bangladesh's proposal in the '70s for engaging co-riparian Nepal for the augmentation of the waters of the Ganges. It is a good sign that, by signing the Agreement, India has departed from its past stance of bilateralism and has finally agreed on cooperation at sub-regional and regional level in areas such as, water, energy, food security and environmental degradation.

To illustrate the above position, we may cite the last paragraph of the preamble of the Agreement, which states: "Convinced that cooperation at the bilateral, sub-regional and regional levels will accelerate development and enable the two countries to realise their developmental aspirations, shared destiny and common vision of a peaceful and prosperous South Asia."

The Agreement consists of 12 Articles.

Article 1 deals with promotion of trade, investment and economic cooperation through removal of progressively tariff, non-tariff barriers and facilitate trade through connectivity for bilateral and sub-regional use. Article 2 speaks of water sharing of common rivers through exploring the possibilities of common basin management of common rivers. Article 3 deals with technical cooperation and exchange of information with respect to natural disasters. Article 4 discusses cooperation

in energy including renewable resources. Article 5 deals with promotion of scientific, cultural, educational and people to people exchange. Article 6 enumerates cooperation in environment protection. Article 7 speaks of sub-regional cooperation in the power sector, water resources management, and physical connectivity. Article 8 deals with cooperation on issues relating to their national interests. Article 9 speaks of cooperation in security and reiterates that neither party shall allow the use of its territory for activities harmful to the other. Article 10 establishes a Joint Consultative Commission for effective implementation of the Agreement and that it shall meet once a year. Article 11 deals with amendment of the Agreement by mutual consent and Article 12 states that the Agreement will come into force on the date of the signing by the two parties (September 6, 2011) and

shall remain in force until terminated by mutual consent. Termination of the Agreement is effected by giving notice to the other party providing the "reasons for seeking such termination" and after consultations in the Joint Consultative Commission.

While overall the Agreement is to be welcomed, however, the devils are in the details of some of its Articles, such as Articles 2, 8 and 12, which are noted below.

## The Agreement on the whole opens up possibilities in cooperation on bilateral, sub-regional and regional level in areas such as, water, energy, food security and environmental safety

Water-sharing of some major common rivers (54 major rivers flow to Bangladesh from India) is a burning issue and "life-blood" question of Bangladesh people. Sharing is to be based on the common basin management system.

In Article 2, India agreed only "to explore the possibilities of common basin management of common rivers" and therefore the Indian commitment is only to explore the possibilities of common basin management and not an agreement on sharing waters of common rivers on the basis of common basin management.

Again in Article 2, it states both parties will "provide necessary assistance to each other (italics is mine) to enhance navigabil-

ity and accessibility of river routes and ports." This may arguably include cooperation of Bangladesh to enhance the navigability of India ports, viz, Kolkata port, and India may at some point raise with Bangladesh the insufficiency of the flow of the feeder canal of Farakka Barrage to flush the silt of Hoogly River and Bangladesh may have to provide India more water to the feeder canal for the Kolkata port.

Article 8 is not clear as to what the parties actually meant by close cooperation on "issues of national interests" when Articles 1 to 8 cover almost all areas of cooperation. Given the geopolitical and economic realities, the "national interests" of India may not be deemed as "national interests" of Bangladesh and, accordingly, the Article is unwarranted and may lead to uncertainty and misinterpretation.

Article 12 deals with complicated process of termination of the Agreement. The Article envisages first that the Agreement can be terminated by mutual consent. Second, the Agreement can be terminated by giving a written notice to the other party providing the reasons for seeking such termination. Thereafter, the parties shall hold consultations to address the reasons cited by the party in the Joint Consultative Commission.

Furthermore, the Article provides that actions taken or agreement reached pursu-

ant to this Agreement shall not be affected by the expiry

It is not understood why termination of a bilateral Agreement has been made so difficult unless there exists lurking suspicion that the Agreement may not be found favourable to a party after certain period of time. Past experience suggests that the weaker party always seeks termination of the Agreement.

Furthermore, it is very unusual to prescribe for a sovereign party to provide reasons to the other party for termination and hold mandatory consultations with the other party on termination of a bilateral Agreement. It is an inherent right of a party to terminate any bilateral Agreement by providing written notice in advance of certain period of time.

It is unusual to note that "agreements reached" but without actions taken on them "shall not be affected" by its expiry or termination. Any agreements reached can always be terminated after its expiry. Only actions already taken pursuant to agreements are not terminated.

Despite the above deficits, the Agreement on the whole opens up possibilities in cooperation on bilateral, sub-regional and regional level in areas such as, water, energy, food security and environmental safety and is to be welcomed. If the provisions of the Agreement are implemented speedily with good faith, the outcome will be mutually beneficial.

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## TRIBUTE

# Architect Mazharul Islam: The last modernist

KAZI KHALEED ASHRAF

THE once indomitable architect Mazharul Islam passed away quietly around midnight of July 14, ending a life-time of pioneering and establishing modern architecture in Bangladesh. As the body of the architect was taken to the Art College, friends, former disciples, admirers, even one time detractors, and quite a few people who know little about this legendary man gathered there to say goodbye to the last modernist.

The final journey of Mazharul Islam took him to his first designed building, the Art College, with which he began an astonishing career that bridged the art of building with the project of nation-building, and the ethos of modernity with the spirit of place. Those who knew him remarked that the passing away of Mazharul Islam marked the end of an epoch. He himself defined that epoch. He summarised modern architectural culture in Bangladesh, from its tentative beginning in the 1950s to its proliferation at the present moment. The life and work remained for a long time as a barometer of contemporary dynamic as it negotiated modernisation, westernisation, tradition, and nation-building.

For over five decades, Mazharul Islam was active in defining the scope and form of an architectural culture, taking on the enormous task of creating a modern yet Bengali paradigm for it. To him, modernism was more than an architectural language or aesthetic operation; it was an ethical and rational approach for addressing what he perceived as social inequities in the country. His Marxian principles combined with a Rabindrik ethos in creating a challenging, and often unattainable, mission for himself. His steadfast commitment to the modernist ideology stemmed from an optimistic, even utopian, vision for transforming society. Consequently, his commitment for establishing a strong design culture in Bangladesh was paralleled by an equally deep engagement with the political and ethical dimension of society. All of this was not an easy task to undertake in a place where architecture is pursued more as a commercial or theatrical enterprise than an instrument of social change or greater good.

Mazharul Islam's efforts in creating a vibrant architectural culture depended on establishing the architectural profession of a new nation (Pakistan, later Bangladesh) in the face of strong opposition from bureaucratic and engineering circles, and even some academic one averse to creative challenges. He attempted to introduce an international dialogue in Bangladesh by orchestrating the invitation of such world-renowned architects as Louis Kahn, Paul Rudolph, and Stanley Tigerman to produce exemplary works here.

As teacher, mentor, and visionary, Mazharul Islam influenced the development of many architectural activities. His office, "Vastukalabid," was a springboard for passionate movements by committed young architects; the most notable was the founding of Chetana Architectural Research Society in 1983 that has since then carried out ground-breaking research on architectural history of the region.

Mazharul Islam's architectural intentions had always been bigger than the problem at hand. More than being merely a practicing architect, he epitomised a larger cultural mission, one that confronted the old duality of tradition and modernity. His oft-repeated reflection: "How do we enter the twenty-first century?" reveals an unabashed and idealistic stance towards modernity. Modernity, for Mazharul Islam, was as much a returning as going away. It was a going away from the immediate colonial past in order to return to an "essentialist" condition free from exclusionary religious ideologies, traumatic traditions, propagandist symbolisms, and pretentious iconographies. As much avowed to a Bengali political identity, he would not immediately translate that visually by adopting easy motifs of tradition.

Mazharul Islam's position in this regard was dialogical. Although it was hinged to a specific place, the new position did not falter in engaging in a "world dialogue," that is, in recognising what the

philosopher Jarava Lal Mehta described as "the mode of existence of present-day man, who has his sojourn in a region where civilisations, cultures and religions touch each other, where times and places flow together." Mazharul Islam wished to operate within the nexus of a cultural particularness and the humanist idea of "the-world-as-my-village." This twin obligation directed his work ever since his first project.

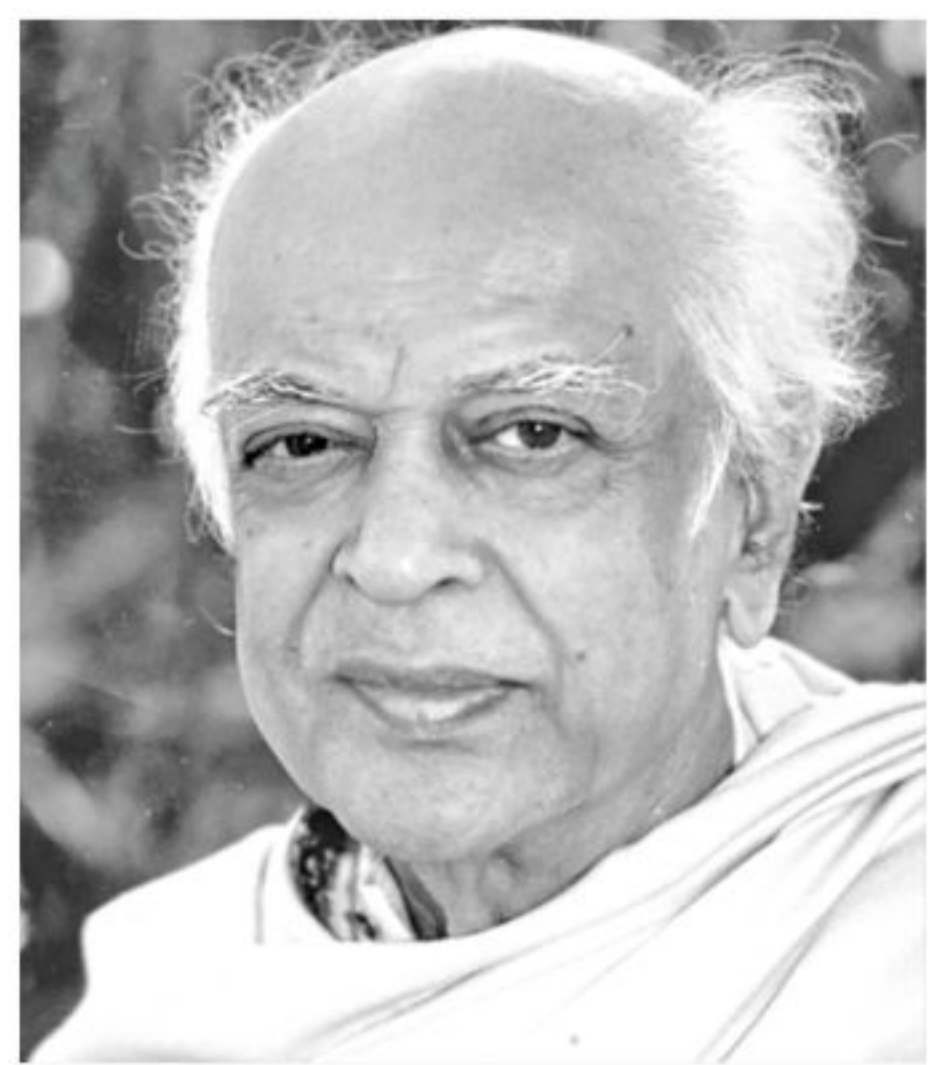
During the time when Mazharul Islam was active professionally in the 1950s and '60s, Pakistan was in turmoil. The dominant political consciousness in then East Pakistan, aroused by the issue of disparities between the two provinces of Pakistan, and the manipulative use of religion by the central government, polarised most Bengali intellectuals towards secular, socialist thinking. Mazharul Islam was a leading figure in that group. His continuous commitment to a rationalist and materialist philosophy led to a vehement antipathy to the manipulation of architecture and culture within highly politicised religious situations. His work, remaining distanced from both exclusivist symbolization and what he saw as architectural fashion, acquired a kind of ascetic minimalism and intellectual discipline. It is this content that has led to misreading some of the work as uncompromising and stark.

Mazharul Islam's architectural repertoire was broad; he designed and built universities (original master plan for Chittagong and Jahangirnagar Universities, and design of selected buildings), large-scale housing, government buildings and numerous residences (rumoured to be in the hundreds). His architectural work, from his earlier approach that expressed the pavilion paradigm -- the open, porous building -- of the hot-humid delta, as in the Art College and NIPA Building at Dhaka University, represents an original contribution in creating a tropical response for international modernism in architecture.

The sixty-year old Art College still conveys the wonderful arrangement of a permeable building that mediates seamlessly with nature (this poorly maintained building should be declared a national treasure and renovated along with its landscape to its old glory). His later works, from the 1970s onwards, reflect a heavier, more earth-hugging language, best expressed in the massive brick-work of the National Library, Dhaka (1980). Even if all his buildings are derived from modern tectonic and construction methods with a geometric rigour, they are products of sensitive environmental meditations. The buildings are intended to be receptacles of "light, green, and air" in the hot-humid delta.

Beyond the single act of building, Mazharul Islam had always urged proper regional planning and large-scale designing of physical space for a country like Bangladesh. Where resources and spaces are limited, greater prowess in creativity is required. With his increasing political engagement he argued for broadening the role of architects in South Asia in order to confront and transform existing social conditions, including the vast rural areas that mostly lie outside the pale of formal architectural activities. Mazharul Islam believed that architecture was a long and relentless struggle; it was a challenge neither for the timid, nor for the compromiser. His life was an embodiment of that challenge.

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Architect Mazharul Islam

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CAPITAL markets such as the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) have multiple roles in a nation's economy. They provide avenues for investment and capital acquisition and can provide an indication of overall economic condition. There are several functions of a stock market, but the main function is economic function. Stock markets also provide facility for transfer of capital from investors to users of capital. They allow corporations looking to expand to raise capital from investors in the primary market and facilitate trade between buyers and sellers of stock in the secondary market.

An organised and well-managed stock market prompts economic development by recognising and financing productive projects that lead to economic activities. An unpredictable stock market causes a lag in financing of productive projects and allocation of capital proficiency; and lacks in diversification of risk, market instrument, domestic saving, corporate governance and facilitation of exchange of goods and services.

**Effects on the economy:** On the financial front, the uncertain nature of stock market has a major macroeconomic impact, leading to inevitable contraction of credit, business bankruptcies and firing of workers, and banks could face failures and a linked decline of money supply. Moreover, the impact of high volatility of a stock price will accelerate the speed at which the cycle moves, which means it may intensify an economic downturn if it is already in motion, or slow down the rate of growth of GDP in a growing economy.

**Macroeconomic stability:** Bangladesh stock market is still not broad and deep enough. Current and prospective issuers do not use the full potential of the market for raising equity capital by issuing shares and borrowing funds by issuing corporate bonds. Moreover, people with savings feel uncomfortable in investing in Bangladesh capital market instruments. Rather they feel more comfortable in maintaining their savings with banks as FDRs and Savings Certificates. It seems that regulators have failed to address the problems faced by both the issuers and the investors adequately.

Volatility in share markets has become a matter of concern in recent times for investors, regulators and brokerage firms. This concern centres on the perception that high

# Stock market crisis: Impact on the economy

volatility can lead to a general erosion of investors' confidence and flow of capital away from the share market.

Banks are facing liquidity crisis due to rising value of greenbacks, increased borrowing by the government from banks, and a fall in remittance flow in 2011. This liquidity crisis is evident from the recent scramble for luring depositors by some banks by hiking interest rates on deposit.

Some common problems are: (a) Rapid expansion of money supply, (b) rise in asset price due to increased inflation, (c) rise in interest rate due to less credit facilities for private sectors, (d) instability of domestic reserve and exchange rate mismanagement, (e) commercial banks making huge profit from the asset price surge, (f) lack of corporate governance and non implementation of financial reporting act, and (g) illegal business of MLM companies.

**Strategic tasks facing Bangladesh capital market:**

Stock market should diligently implement the macroeconomic regulatory policies of the central government and make good use of the function of capital markets in optimising resource allocation to ensure sound development of the financial sector and the economy as a whole. Stock market in Bangladesh learnt a very expensive lesson. To overcome this uncertain situation, policy makers, regulatory bodies and authorities should come forward and prescribe proper and prudent configurations to restore macroeconomic stability, and they should also link up with government by strengthening financial sectors like mutual fund, merchant banks, and insurance companies other than banks. They should establish demutualisation of stock exchange. There should be a special tribunal, with proper monitoring by SEC. Last but not least, they should conform to financial reporting act and reform the microstructure for healthier economy.

In a nutshell, the Bangladesh capital market has become an important platform for promoting strategic restructuring of the economy and accelerating transformation of the pattern of economic development. The need is to accurately assess the strategic tasks confronting Bangladesh stock market in order to ensure long-term, stable and rapid economic development.

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