

The Daily Star

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## How much more must the Teesta bleed?

West Bengal's newest decision will be extremely damaging to Bangladesh

We are deeply disturbed by news reports that West Bengal is planning to dig two more canals under the Teesta Barrage Project to divert water for agricultural purposes in Jalpaiguri and Cooch Behar districts. It has also reportedly decided to set up three hydropower projects in the Darjeeling hills, two of which are likely to reduce the volume of water in the Teesta that is available for irrigation. There is no doubt that this will only aggravate the already precarious condition of Bangladeshi farmers who have been paying a heavy price as a result of failed diplomacy between Bangladesh and India over the Teesta River for more than a decade.

What is most infuriating is that West Bengal made these decisions unilaterally, without so much as informing Dhaka of its intentions. We remember all too well the last minute refusal of West Bengal Chief Minister Mamata Banerjee to sign a deal in June 2011, which would have allocated 42.5 percent of Teesta's water to India and 37.5 percent to Bangladesh. For over a decade, despite repeated promises that the Teesta issue will be resolved, there has been no progress at all, with Mamata insisting that there is no water to share in the first place. But if that really were the case, why would her government be pursuing these expensive projects to channel water to farmers on their side of the border?

After keeping almost 20 million people – who depend on the Teesta for their livelihoods – hanging for 12 years, India's unilateral move is a violation of all international norms of transboundary river water management, to say nothing of India's commitment to not construct any major structure for diversion of water for consumptive uses upstream of Gajoldoba barrage, made 13 years ago. Given our past and current relationship with India, which is supposed to be a friendly one, how are we to interpret the recent developments, if not as a breach of trust?

It is also frustrating that the Bangladesh government seems clueless about these developments. Our foreign ministry, apparently, "will try to know the facts from India" before proceeding further. We can't help but wonder what the role of our officials in Kolkata and Delhi are if they must wait for the Indian media reports to make their way to Bangladesh before they even start the process of "verifying" information.

For far too long, the plight of the ordinary people, particularly the farmers of the northern region, have been ignored by policymakers in both countries, who have prioritised their own agendas in bilateral meetings. According to Bangladesh-India Joint Rivers Commission, between 1973 and 1985 when the barrage was yet to be built in West Bengal, the daily average flow of water in the river during the last 10 days of March was 6,710 cusec (cubic feet per second), which is now as low as 1,200-1,500 cusecs during the dry season.

We urgently call upon the Bangladesh government to seriously revisit the Teesta issue. It is precisely because we have allowed the sufferings of our farmers and fishermen to fall through the cracks for so long that we are now being subjected to such unneighbourly treatment. We must demand greater transparency from India. The Indian government, on its end, must explain the secrecy behind such developments and engage with West Bengal to ensure that no projects are undertaken which violate its commitments to Bangladesh.

## Island of corals turned into a cash cow

Campaign to rid St Martin's of illegal establishments must be seen through

It is deeply concerning that St Martin's Island, the lone coral island in Bangladesh, is under threat by the unplanned construction and operation of hundreds of illegal structures – i.e. resorts, hotels, and shops. Meanwhile, the residents of the island do not get permission to build homes for themselves. Instead, they must live in shanties while sizable commercial buildings have been put up in this Ecologically Critical Area (ECA). According to a recent report by Prothom Alo, a staggering 230 hotels, resorts, and restaurants exist on this island that is, as declared in January 2022 per the Wildlife (Conservation and Security) Act, 2012, a marine protected area. Of these 230 structures, 130 were built in the last two years alone. Most alarmingly, over the last 38 years, the number of coral species on the island has decreased from 141 to only 40. Tree-covered areas have also been disappearing at a disquieting rate.

We are, of course, disappointed at the lack of adequate action on the parts of the Department of Environment (DoE) and the relevant district and upazila administrations in protecting St Martin's Island. Reports have been coming in over the last year about how the authorities are finally evicting hundreds of the illegal establishments and halting the construction of new ones. But given that the island has been an ECA since the late 1990s, we must conclude that it is the irresponsibility and extensive oversight of the authorities that have been damaging St Martin's and its biodiversity. No doubt, corrupt quarters of the administrations have allowed influential to acquire land on the island and illegally put up commercial structures there. It is deeply saddening how the greed of land grabbers is eating away at our rivers and coasts alike, while the authorities quite literally watch on, with their sense of responsibility presumably tangled up in bank notes.

Though this should have happened decades ago, we must appreciate the ongoing campaign of the DoE and the Cox's Bazar district administration to tear down the existing illegal structures and prevent new ones from sprouting on St Martin's Island. We can only hope that the unabated construction of illegal structures and the resultant tourist activities of the last few decades have not done irreparable harm already. The island is a national treasure in terms of natural beauty and the array of living beings – from algae and corals to thousands of species of birds, snails, mussels, clams, crabs, and mammals – it harbours. Just as in the case of our dying, life-giving rivers, we urge the government and the authorities concerned not to let St Martin's Island become yet another bit of land for the profit hounds to exploit.

# Banning hundi won't solve Bangladesh's forex problem

AN OPEN DIALOGUE



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ABDULLAH SHIBLI

Bangladesh's foreign exchange market has somehow gotten entangled in public discussion and the government's crusade against corruption. Corruption takes many forms: bribery or graft; embezzlement; money laundering, kickbacks (usually in dollars abroad); tax avoidance and under-invoicing; and finally, transfer of money to undeclared overseas accounts. All these sources of corruption are fuelling the secondary foreign exchange market, also known as hundi, driving it to new heights.

Consequently and in tandem with the dollar crisis, the hundi market has also been in the news in Bangladesh. This market has many other names. Some folks refer to it as the black market (which has an illicit connotation), whereas in academic circles, the preferred moniker is parallel, informal, or the kerb market. It may not be too far-fetched to consider the hundi market as a vital nexus that connects Bangladesh with the rest of the world.

**Eminent economists have blamed the hundi market for the sorry state of Bangladesh's forex reserves and the downward pressure on our exchange rate. Remitters get a higher rate for their dollars in the hundi market. And this, along with the legal regulations and delays of the formal channels, provides strong incentives for one to opt for hundi.**

A former chief economist of Bangladesh Bank has suggested that the hundi market be taken out, while others have been advocating for tightening the noose around it to choke off the blood circulation in that segment of the financial market. Another senior economist rues that "the central bank

and the economy of Bangladesh lose foreign exchange/reserves."

The government would like to see the supply of dollars go up and demand go down. One of the odd characteristics of the conversation on the prevalence of multiple exchange rates, capital flight, and the excess demand for the US dollar is the absence of a discussion on the sources of demand for the hundi dollars.

Hundi has existed for as long as I can remember. More than four decades ago, in 1982, I was travelling to India for a few weeks with my wife. I was working for the International Food Policy Research Institute (IFPRI), and my salary was paid in dollars. Therefore, while I had dollars in my bank account in Washington, DC and in my American Express bank account in Motijheel, I could not carry the currency on my person while boarding the flight to Kolkata. "No problem," a knowledgeable friend said, and introduced me to a hundi merchant on Nawabpur Road, who gave me a little square paper, on which he scribbled something. I then took the chit to a dealer in Kolkata's Old Bazaar and exchanged the token for Indian rupees. I was told that this anachronistic

transaction mode is still in vogue for those who wish to take money out of the country. The details might be slightly different, but the basic rules are pretty much the same. Of course, you pay a premium price for convenience. The official exchange rate for a US dollar is now Tk 105, but the unofficial rate is Tk 120, and there is widespread apprehension that the latter may go

of Bangladesh's forex reserves and the downward pressure on our exchange rate. Remitters get a higher rate for their dollars in the hundi market. And this, along with the legal regulations and delays of the formal channels, provides strong incentives for one to opt for hundi. The premium the buyer pays is often more than 15 percent during peak periods, and has been



The hundi business has been around for a long time.

FILE PHOTO

higher after Ramadan.

Let's take a quick look at the supply and demand forces at play in the hundi market. Demand mostly comes from money launderers, and the supply mostly emanates from Bangladeshis who send money home to their families living in rural areas.

As we can see, the hundi market has two aspects: demand for taka by the overseas workers who wish to send money to their homes, and the demand for dollars mentioned above – for tourism, medical care, study abroad and registration fees, as well as for illegitimate purposes such as money laundering and buying property in the proverbial Begum Para. As Professor Selim Raihan correctly mentioned in a recent op ed in this daily, there is a misconception that the "remitters abroad are the ones who demand the services offered by the hundi business." One also needs to look into the domestic drivers of demand, and it would not be too far-fetched to assert that the market owes its lifeblood to the domestic cartels and oligarchs who sometimes need a safe harbour for their ill-gotten riches.

Eminent economists have blamed the hundi market for the sorry state

flagged as a "laundering charge" by Professor Rudi Dornbusch of MIT.

The higher rate is hardly affecting the demand for dollars in the hundi market, nor is there any shortage of \$100 bills. In contrast, the importers find it difficult to open letters of credit (LCs) with commercial banks to get the merchandise they need ahead of Ramadan and Eid, and face a conundrum.

The demand for dollars comes from many sources, but money laundering is like the white elephant in the room. A former chief of the National Board of Revenue (NBR) openly asked, "Who is laundering out all the money? There must be someone in the know."

It is an open secret that the NBR and the Anti-Corruption Commission (ACC) have access to intelligence and other resources to initiate investigations. Bangladesh still has a long way to go before it can sit back and return to its old business-as-usual state, or the pre-pandemic modus operandi, and take off the import restrictions in place. And in light of the incoming national election, the government can use the opportunity to shake things up and put its house in order.

## Bangabandhu: A miracle of history

**Mahbub Uddin Ahmed**, Bir Bikram, was a sub-divisional police officer of Jhenaidah during the Liberation War. He was in charge of presenting the guard of honour to the acting president of the government in exile, Syed Nazrul Islam, at the oath-taking ceremony on April 17, 1971.

MAHBUB UDDIN AHMED

Bangabandhu Sheikh Mujibur Rahman, the dreamer and creator of independent Bangladesh, was born in the twilight zone of a mystical time. A budding yet intelligent politician, he was mature enough to smell the emerging rut of his own land through exploitation and realised one fact: the residents of East Pakistan were being trampled by the Punjabi hegemony in West Pakistan, which was determined to exploit us as a race and was there to wipe us out. And its physical demonstration was chalked out by General Yahya Khan and his cohort Zulfikar Ali Bhutto through the ignoble, dastardly, and genocidal Operation Searchlight launched on March 25, 1971.

But Bangabandhu, with his wisdom and tact, was ahead of everyone in the art of tactics and saved our nation from all nefarious moves by the Pakistan government. Against all odds, Bangabandhu realised his goal of leading his nation to independence. He had to cross many invincible hurdles laid out by the Pakistan Army machinery – the Pakistani generals resorted to mass murder, political trickery, and spiteful international diplomacy against



Bangabandhu Sheikh Mujibur Rahman.

ILLUSTRATION: BIPOLOB CHAKROBORTY

the then East Pakistan. But in the end, all those tricks failed, and the international humanitarian forces stood by Bangabandhu. His towering personality and an unending love for a suffering humanity carried the day.

Bangabandhu was unwavering even at the prospect of death and/or personal injury. At the hour of utmost need, the leader gave us a clarion call to unite. And we did unite ourselves with steely determination to defend our motherland at all costs. At that

hour of glory came the momentous declaration of independence: "From today, Bangladesh is independent." As he was imprisoned by the Pakistani bureaucracy and military oligarchy, Bangabandhu did not fail to pronounce his ultimate order to his nation of 75 million people: "Go and fight till the last drop of your blood" and "destroy the last of the enemies."

And the people responded to this call, coming out in hordes to face the enemies who had all the might at

their disposal and executed a planned attack with a full arsenal of modern weaponry. But to the collective wisdom, ferocity, and determination of a people led by Sheikh Mujib, the beneficiaries of evil had to fail. And fail it did, and the concomitant cost paid by the marauders went down in the annals of modern warfare as the most ignominious defeat of an army.

When a historian would try to depict this man, there would be no room to fumble. Bangabandhu was a giant, a magician, a poet of politics, a charismatic leader. If elucidated, each one of these titles could be sized into volumes without limit. And I reckon it is the duty of a historian to research in depth to find the right proportion and volume. I tried to understand him through the looking glass of a common participant in the writing of the most simple, short and robust history of my country, the Liberation War, its underlying philosophy, and the role of Sheikh Mujib. And I found myself engrossed in the life and story of a budding personality transforming himself into a giant of a man.

Bangabandhu lived to serve his fellow beings long tied to the unbearable clutch of poverty and diabolical restrictions to progress. The budding persona turned into a magician by dint of his long and relentless quest for a successful transformation of his people's fate. Looking at the achievements throughout his life, one can appreciate this man for what he truly was: a miracle of history.

Joy Bangla!