

An Assessment of Pranab Mukherjee's visit to Dhaka

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The publicly-stated purpose of India's Minister for Finance, Pranab Mukherjee's visit to Dhaka on 7th August for about six hours is to witness the signing of the \$1 billion loan agreement to Bangladesh for 14 projects related to infrastructure, river dredging and power transmission from India.

The mainstream opposition party BNP, however, strongly criticized the agreement for harsh and unfair conditions of loan, alleging that the projects covered by the loan would benefit India more than Bangladesh and called upon the government to cancel the loan agreement, while the government of Sheikh Hasina stoutly defended the loan used for infrastructure of interconnectivity which would make the country a hub of economic activities within the region.

Mr. Mukherjee is a senior Minister in the cabinet, ranking only after the Prime Minister Dr. Singh. He is an eminent Congress leader who is known to be close to the Congress President Sonia Gandhi. His visit to Dhaka should not be judged merely in terms of witnessing the loan signed in Dhaka.

Analysts say the real purpose of Mr. Mukherjee's visit is to calm down the anxiety within the Bangladesh government leaders about the painfully slow implementation of matters that are accorded priority in Bangladesh in the joint communiqué released after the Bangladesh Prime Minister's visit to New Delhi from 10-13 January.

It may be recalled that the visit of Bangladesh Prime Minister to New Delhi this year ushered in a new era of opportunity in bilateral relations and put in place a comprehensive framework of cooperation in all possible areas.

Benefits of Interconnectivity:

It is correct to say that the credit line is substantially for building infrastructure in establishing interconnectivity between West Bengal and northeastern states through Bangladesh, and many economists believe interconnectivity through multimodal transport with India should not be seen solely a bilateral matter between Bangladesh and India. Interconnectivity through Bangladesh will have impact on South Asia and beyond the region in the days of economic globalisation.

Many business leaders argue that interconnectivity with other countries (such as India, Nepal and Bhutan in South Asian eastern region) promotes international trade and investment because business requirements need easy movement from one country to another country for the merchandise.

Transnational corporations move industries to places with cheapest labour and good interconnectivity and Bangladesh may attract their investment and relocation of some of their industries to Bangladesh.

Foreign investors from ASEAN, Japan, South Korea and China, besides Western countries will look at interconnectivity a congenial environment to invest in Bangladesh for large markets in India and other countries within the region and beyond.

Economic development of Bangladesh means that the country will be increasingly locked into regional and global economy. One aspect of integration of global or regional economy is the rapid growth of transnational companies to manufacture different components of a product in different countries and if Bangladesh economy is integrated with global or regional economy, the country may get a share in the process of production of the transnational companies. For example, many of components of products of transnational companies are currently made in India, Malaysia, Thailand and Indonesia.

Furthermore, interconnectivity is also to be perceived as a service industry which constitutes a big component for any modern economy and Bangladesh can use its potential as a service industry through interconnectivity.

Measures India could take on top priority matters of Bangladesh:

While India gives top priority to transit facilities through Bangladesh to northeastern India and denial of sanctuary for Indian insurgents in Bangladesh, Bangladesh's top priority rests on water sharing with, and water management for, common rivers (54 rivers flow to Bangladesh from India), implementation of land border agreement of 1974 and duty and hassle free access of Bangladesh's products to India's market.

There are 111 Indian enclaves in Bangladesh with 17,158 acres with a population of 200,000 people, whose sufferings know no bounds as they have no medical facilities, schools, sanitation, legal access and job facility and safe drinking water.

It was reported some time ago that one inhabitant said that "We want to be Bangladeshis as early as possible. We cannot express in words about the sufferings we tolerate from the India Border Security Force (BSF)". This is a humanitarian problem and it needs to be resolved quickly.

Furthermore, the uncertain borders, in particular, the river boundaries, have often resulted in clashes between the two security forces and the un-demarcated 6.5 miles border in the east needs to be resolved as soon as possible.

With regard to bilateral trade, both countries agreed "to address removal of tariff and non-tariff barriers" and border hats shall be established on selected areas including on the Meghalayan border.

Bangladesh wanted to open the border hat on Bangladesh-Meghalaya border on 14th April (1st day of Bengali Year) but could not be opened. Recently Bangladesh Commerce Minister expressed his disappointment at the delay in establishing border hat and removing tariff and non-tariff barriers

People expected that by this time at least an-adhoc water sharing accord on the Teesta River would be concluded and no Bangladeshi national would be killed because it was agreed that respective border guards would “exercise restraint” to prevent loss of lives but as of mid July, 101 Bangladeshi nationals are killed by BSF. Furthermore nothing tangible occurred with regard to the implementation of the 1974 Bangladesh-India Border Agreement.

It is noted that although extensive discussions are taking place at the government-to-government level on bilateral issues, public in Bangladesh want results on the ground.

As the saying goes, the proof of the pudding lies in eating. Many Bangladesh people believe that India with its vast resources and more than a trillion dollar -economy would be forthcoming in following the “Gujral doctrine” which means strict reciprocity is not intended for smaller neighbours and whatever accommodation India is able to give, it provides without asking reciprocity

Regrettably many in Bangladesh take India’s promises with caution because in the past, either the promises were not delivered or were put into cold storage due to the federal-state bureaucratic maze in India,

In the book “ The Jamdani Revolution” (2009), the former India’s Foreign Secretary and High Commissioner to Bangladesh, Krishnan Srinivasan writes: “ The political will and attention span have been lacking in New Delhi.....In other words the Indian government has tended to allow the hardliners and Hindu chauvinists to set the agenda for its policy towards Bangladesh, when a more rational approach would have been to come to some understandings on Dhaka’s agenda” (p.424).

Conclusion:

We hope the visit of Indian Finance Minister will bring benefits to Bangladesh people in facilitating the early implementation of core bilateral issues, cutting off the bureaucratic hurdles in India.

Finally, the state of overall Indo-Bangladesh relations has to be viewed in the context of public opinion in Bangladesh. President Abraham Lincoln once said: “ Public sentiment is everything. With public sentiment nothing can fail; without it nothing can succeed.”

Public opinion will be easily won over when benefits become evident from India’s action on the ground. The sooner it is, the better is for promotion of bilateral relations.

