



India-Bangladesh: Is a Changed Equation Possible?

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As powerful 3000 horsepower jumbo diesel engines pulled out two passenger trains from Kolkata and Dhaka railway stations for a run across the India-Bangladesh border after a gap of 43 troubled years, history quietly turned a page. The *Maitree Express* traverses not a mere 406 km of railway track but speeds deep into the debris of misunderstanding, suspicions, and the chicanery of global diplomacy that have woven a cobwebbed relationship between two neighbours who have far more natural affinities than trumped up differences.

The relations between the two have remained extremely volatile most of the time, except for a few patches as during the honeymoon years after the 1971 Liberation War. As Bangladesh often presents an unclear picture, India's policy shows a cagey ambivalence. May be the next election, which could come off this December, will make a difference.

A nation in an unending search for stability and identity, Bangladesh has tried almost all the recipes known in the grammar book of governments – democracy (or whatever has gone in its name), dictatorship, President's rule, military rule. But none has worked, or worked for long. The experiments continue, the nation and its people bear the cost. And as all this goes on, one thing remains constant – an overarching obsession with India, its commissions as much as its omissions. As for India, it has tried to create an impression of being an intensely genuine do-gooder, but not all the people on the other side of the border are quite sold on the idea.

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In India's diplomatic monitor, China, Pakistan and the United States – not always in that order - loom large. Bangladesh comes most of the time on the sidelines. Only when something traumatic erupts there that the eyes turn. The Bangladesh situation is very often in a flux creating more difficulties for India's policy-framing. Some fresh initiatives taken during the last few years have at least brought about what looks like a lull.

The perspective could, however, been a little different had there been a strong underpinning of business, government as well as private. This has not happened, largely because of the absence of a feeling of reciprocity. To many in Bangladesh, all Indian business is big business, and cannot be fully trusted. The imbroglio over India-based Tata Group's proposed \$ 3 billion investment illustrates the ground reality.

India has netted around \$ 54 billion in foreign direct investment (FDI) between 1991 and 2007, and used as another lever of growth. Yet, for many years it has barred FDI from Bangladesh. Only recently, it has lifted the ban, primarily on External Affairs Minister Pranab Mukherjee's initiative. Bangladesh's approach appears to be lukewarm and overly selective. It has collected only around \$ 7 billion. But more give and take could open a new chapter in India-Bangladesh business.

More vigorous trading activity could create a more effective and durable bond. But it too has remained stunted. The trade balance is severely slanted against Bangladesh and the large minus figure has acted as another reason for not opting for wider or deeper trade ties with India. The partition of 1947 dissected the natural complementarity of the two economies which geographically formed, and still form, one integrated module. A partitioned West Bengal somehow managed as it has the rest of the vast Indian market to fall back upon. Bangladesh (even when it was the eastern outpost of Pakistan) could never quite recover from the bloody incision.

Bangladesh's greatest success story has been in readymade garments. These make nearly two-thirds of its total exports. Another big earner is its unskilled migrant labour who have created a world-wide, but an essentially low-wage, Diaspora. Their inward remittances have been a major source of income. And there is, of course, raw jute and jute goods, the traditional export commodities.

But in all this, India figures in Bangladesh's calculation on the margin. That is because the country has hardly many other exportable goods or services. It is trying with frozen shrimp and other fish, local handloom fabrics, meat, leather products, and crushed bone. India takes from its neighbouring country a sizable quantity of anhydrous ammonia, but has not much demand for the others. The logistics are not good enough for doing extensive trading.

The two countries have in effect one operational transit point, the one at Petrapole. But there also the traffic is often disrupted. Most trading takes place on land routes and river

takes some of the load. River transport is losing. But there is something worse – large scale 'informal trading', an euphemism for illegal trading. Nearly two-fifths of a yearly turnover of around \$ 2 billion take such shadowy routes.

It is well-known that long before the partition took place, the foreign rulers had fanned religious difference between the eastern and western parts of the erstwhile undivided Bengal. Differing dialects and customs helped the process. 'East Bengal' Hindus take fish on Saraswati Puja day which Hindus of West Bengal observe as a strict vegetarian occasion. A section of Bangladesh likes to believe – and with increasing stridency – that India took so much interest in their struggle for freedom not so much out of any altruistic consideration as out of a deeper plan to turn the new nation into one of India's pocket boroughs. Such a suspicion is inducing a powerful Bangladesh section to oppose the Free Trade Agreement that India is keen that Bangladesh signs.

At the same time there is at least one area where India can demonstrate its sincerity of purpose. To start with, it can and must put its border in order to check smuggling or shady deals. Admittedly, no land border can be 100 per cent foolproof, not even with the Berlin Wall nor with the kind of high security vigilance on the US-Mexican border against illegal migrants. But something better than the existing situation would make a difference, at least as a token of India's earnestness.

Some sections favour the idea of an open border, at least for trading in certain commodities. They refer to the historic Treaty of Rome of 1957 that led to the formation of the European Coal and Steel Community in 1958 and finally to the European Union in 1993. This was not liked by some other countries, just as some countries do not like to see a closer India-Bangladesh link to develop. But patriotism and the history of years of being buffeted around could, and should, one day steel the two nations to take a plunge. One of the first steps could be a system of issuing work permit at the border for the nationals of the two countries to stay and work legally at the other side for a specified period, and not surreptitiously. This would be one way of curbing rampant border infiltration and trans-border human movement which shows no sign of abatement.

India is known to have reservations about alleged militant groups who, it says, is using Bangladesh as their base for carrying out terrorist activities in India and elsewhere in the region. One view has been that many of the volunteers who came into India as Bangladesh's *Mukti Bahini* members during the Liberation War have resurfaced as today's militants. West Bengal Governor Gopal Krishna Gandhi has recently expressed his dismay at their continuing detention in correctional homes in the State.

In many other areas, however, the two countries are interacting. A large number of relatively better-off Bangladeshi families throng Indian hospitals for specialised medical treatment. Many Bangladeshi students come to India's academic institutions for higher

studies. It was time that some Indian investors came forward to set up similar hospitals, and general, technical and management schools in Bangladesh.

More corporates are now looking across the border. Bharat Heavy Electricals Ltd is executing a power plant project on contract in Bangladesh. Gail India Ltd has recently signed a memorandum of cooperation with Bangladesh to help it develop CNG infrastructure projects and gas retail markets. Bangladesh is reportedly going to issue licences for the first time for opening BPOs. A Bangladesh company, GMG Airlines, plans to run more flights to Indian cities.

There is also room for exploring the possibility of joint operation and joint venture by Indian and Bangladeshi companies in the two countries and elsewhere. When there are numerous recent instances of companies who were once arch rivals (Sony and Sanyo, Nokia and Motorola) forming alliances for developing new technologies and new markets, why cannot the companies on both sides of the border attempt to do something like that? It is such small steps that will one day become a giant step and bond together the two neighbours where many speak the same language.

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