Bangladeshi Prime Minister Sheikh Hasina is visiting India on January 10, 2009. Both India and Bangladesh is looking forward to resolving some of the key bilateral issues. In the light of the new political climate in Bangladesh ever since Sheikh Hasina returned to power, what are the options for India?
Introduction

Bangladeshi Prime Minister Sheikh Hasina is due to visit India on 10 January 2009. The forthcoming visit is evoking hope and expectation in both countries. Ever since Sheikh Hasina demitted office in June 2001, bilateral ties have witnessed many lows and very few highs. Indeed it was a sharp contrast from the bonhomie that existed during the first tenure of Sheikh Hasina (1996-2001). The huge mandate with which Sheikh Hasina returned to power an year ago has given rise to hopes in India and Bangladesh about regaining the bilateral ground that was lost over the past decade.

To recall briefly, the historic ties that had evolved between Indira Gandhi and Sheikh Mujibur Rahman during the years preceding Bangladesh’s War of Liberation deepened subsequently, resulting in the Indo-Bangladesh Treaty of Friendship, Peace and Cooperation. But the assassination of Sheikh Mujib changed drastically not only the domestic situation in Bangladesh, but also the bilateral ties with its largest neighbour. The proximity that existed between the two states henceforth ceased to exist. Successive military leaders in Bangladesh (1975-1990) deliberately diluted bilateral ties. With the return of parliamentary democracy in 1991, there was an attempt by both sides to close the gap that had widened. But the real transformation in the bilateral equation began with Sheikh Hasina, daughter of Sheikh Mujib, assuming office in 1996. The signing of the Ganges water treaty of 1996 and the Chakma Agreement of 1997 removed the two main irritants that had plagued Indo-Bangladeshi relations for years. Although the two neighbours during this period had several unresolved issues between them, they were firmly on friendly track. Unfortunately, this momentum was lost after the next elected government of the BNP alliance took over in 2001. Without much exaggeration, bilateral ties reached their lowest point between 2001 and 2006.
BNP coalition period 2001-2006

During the BNP coalition period, India and Bangladesh differed virtually on all bilateral issues. Marked by the lack of high level contacts there were no serious attempt to resolve many of the outstanding problems. For India, its core concern was security threats emanating from Bangladesh, while for Bangladesh the widening trade gap with India was its most serious concern.

The violent outburst against Hindus, who are mainly supporters of the Awami League, in the aftermath of the BNP coalition victory in the 2001 election, reflected not only the underlying tension that prevailed between the two main political parties in Bangladesh but also with India. Apart from the influx of refugees into India in the aftermath of election violence which India preferred to downplay, it was possible to identify seven broad areas of contention which dominated Indo-Bangladesh relations during this period, namely, trade disputes, border disputes, Ganges River water sharing, migration, insurgency, anti-Hindu violence, and controversies surrounding gas exports and growth of extremism interlinked to the issue of Talibanisation of Bangladesh leading to India highlighting the growing threat arising from the presence of al-Qaeda in Bangladesh.

Post the sudden upsurge in October 2001, anti-Hindu violence steadily increased during this period and unlike on previous occasions they were not related to any specific development involving India. Gradually, however, the violence took a different tone and could be located within the context of the growing religious extremism and intolerance in Bangladesh. During her first tenure, Prime Minister Sheikh Hasina had raised the concern of Talibanisation of Bangladesh. This issue gathered momentum during the October 2001 jatiya Sangsad elections and India decided to join the growing controversy. It was widely recognised that a number of transnational Islamic terrorist groups including the al-Qaeda have established a presence in Bangladesh. For instance, Indian investigations into the January 22, 2002, attack on the US Consulate in Kolkata revealed international linkages between the Jaish-e-Mohammed (JeM), Lashkar-e-Taiba (LeT) and the Harkat-ul-Jihadi-Islami (HUJI) branches of Pakistan and Bangladesh.

The presence of a number of key Indian insurgent figures belonging to a host of groups was an irritant in Indo-Bangladesh relations. The Government of India persistently presented Bangladesh with lists of insurgents leaders who were housed in different parts of Bangladesh and their camps. Significantly, the positions of the Awami League and the

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1 In October 2001, then Deputy Prime Minister Advani referred to the al Qaeda presence in Bangladesh. Shortly afterwards, then Foreign Minister Yashwant Sinha told the Lok Sabha: “Some al Qaida elements have taken shelter in Bangladesh.” Then Defence Minister George Fernandes repeated the same charge following his meeting with opposition leader Hasina in New Delhi. Also, in November 2002, the NDA government informed the Parliament that it had prepared a detailed report on al Qaeda operations in Bangladesh to be sent to Dhaka for further action.
BNP over the question of support for Indian insurgents have been somewhat different. Despite repeated Indian concerns over wanted militants taking refuge in Bangladesh, the two countries were not able to sign an extradition treaty. The presence of illegal Bangladeshi nationals in India was another contentious issue on the bilateral agenda. Dhaka has consistently maintained that there are no illegal Bangladeshi nationals in India. Irrespective of the political context, the two countries maintained healthy trade relations. However, continuing trade surplus in favour of India posed a fundamental problem to the nature and structure of trade relations between the neighbours. It is widely recognised that unilateral concessions would not adversely affect India’s trade relations with Bangladesh, but India’s refusal to bring down trade barriers was seen by Dhaka as a bullying tactic. The two sides also briefly experimented with the transhipment agreement that had to be soon discontinued.

These five years could be described as the worst phase in Indo-Bangladesh relations. Not only were there very limited high level contacts and exchanges, each side also freely levelled charges against the other and at times Bangladesh even took an openly hostile stance. Ironically there were no burning issues between them and with the exception of the controversy over al-Qaeda presence in Bangladesh, no new issues were added since 2001. The Indian proposal on the border demarcation that was with Bangladesh since 1999 saw no movement. Even though the issue figured prominently or even regularly in all bilateral talks, there was very little convergence. The final nail was the manner in which India handled its non-participation in the Dhaka SAARC Summit in February 2005.

Post BNP alliance phase

During the Caretaker Government phase, New Delhi and Dhaka left behind the hostile posturing and worked together to stabilise bilateral ties. With Dhaka showing keenness to engage, India also reciprocated fully. The focus was on strengthening trade and economic relations, but given the non-elected nature of the government there were obvious limitations to fully realising the bilateral potential on both sides.

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2 For example, Sanjeev Deb Barman, a senior ATTF member, who was illegally staying in Bangladesh since 1993, was arrested in 1998 when Hasina was in power. Even as India was seeking his extradition, in January 2002 the Khaleda government released him on bail. Likewise, Anup Chetia, secretary of ULFA, who was also arrested during Sheikh Hasina’s regime, sought political asylum upon completing his jail term in 2005.

3 Sensing the failure of Bangladesh to extradite wanted militants within the framework of the SAARC treaty on terrorism, in 2003 India made the proposal for a bilateral extradition treaty. In September 2006 during the secretary level talks both sides agreed on a bilateral mechanism, though there has been no movement on the extradition arrangement.

With a technocrat Caretaker Government in Bangladesh, bilateral relations improved once again (2007-08). The breakthrough occurred with India granting Bangladesh tariff free access to export eight million readymade garment pieces to India. India also dismantled some of the non-tariff related procedures, which had necessitated jamdani saris having to be sent to Lucknow for testing for dyes, and Hilsa fish having to be cleared by the Central Food Laboratory in Kolkata. This was backed by several concessions demanded by Bangladesh on trade and economic front and led to improving the bilateral atmospherics once again. Bangladeshi reciprocation came through an invitation to Indian soldiers to visit Bangladesh 37 years after they had fought for Bangladesh’s liberation from West Pakistan.

Although a thaw was visible in the Bangladeshi Caretaker Government’s recognition of Indian security concerns leading to handing over of some Indian insurgents operating from Bangladesh, the fact that the advisors-led government was obviously limited in its mandate was not lost on India. Thus, the holding of the delayed 9th Jatiya Sangsad elections that brought Sheikh Hasina to power was a cause for much celebration in Bangladesh and India. India was determined not to dilute the positive bilateral developments that had taken place in the meantime. The Awami League government responded in full measure.

**Awami League Government**

Post the Awami League government coming to power, India and Bangladesh began to work in earnest to address each other’s problems. Dhaka’s political will to address India’s security concern was evident from the outset. New Delhi found ways and means to address some of Bangladesh’s long standing demands. Its readiness to dilute trade barriers, its willingness to consider Bangladesh’s fears on Tipaimukh dam and border conflicts as well agreeing to Bangladesh’s demand for transit to Nepal and Bhutan, reflects an attitudinal shift.

**Issues**

1. **Terrorism and insurgency**

Sheikh Hasina began her tenure initiating the electoral promise of a South Asia anti-terror task force to ensure that Bangladesh was cleansed of terror elements. Simultaneously Bangladesh conveyed its intention to ensure that no anti-India activities were carried out from Bangladeshi soil. That this was not mere rhetoric was manifested when a fresh probe into the Chittagong arms haul case of April 2, 2004 led to the arrest of former

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5 Three laboratories in Bangladesh were identified for testing export samples meant for India, with testing facilities being set up at the Petrapole border. India has suggested opening up more border trade stations, for example in Tripura and Mizoram, that imports more goods from Bangladesh than the Indian hinterland.
National Security Intelligence chiefs Maj. Gen. (Retd.) Rezaqul Haider Chowdhury and Brig. Gen. (Retd.) Abdur Rahim. The confessional statement of Md. Hafizur Rahman and Din Mohammad, the two accused in the Chittagong arms haul case, had established beyond doubt the linkages between Bangladesh security agencies and Indian militants. 6

The new Awami League cabinet not only approved the passage of Anti-Terrorism Ordinance, promulgated by the Caretaker Government in 2008 into law, but also initiated several measures to address the menace of terror faced by Bangladesh in the last few years. The Awami League government’s initiative in addressing domestic terror has also led to arrests of some Indian terrorists operating from within Bangladesh. The investigation into the Mumbai attack had thrown up links with not only Pakistan but also HuJI in Bangladesh and led to arrests of several Indian terrorists.7

Notwithstanding the above successes, the real breakthrough came with the arrest of the much wanted ULFA leader Arabinda Rajkhowa. Several Indian militants including Paresh Baruah, Arabinda Rajkhowa, Ranjan Daimary and Anup Chetia, possessed valid Bangladesh passports and while engaging in commercial operations they continued to wage terror attacks within India. Indeed Bangladesh had till then cited the lack of a bilateral extradition agreement for not handing over Anup Chetia, who had completed his sentence in Bangladesh. To overcome these problems the Bangladesh premier’s visit to India will include amongst others the signing of three agreements relating to mutual legal assistance on criminal matters, extradition treaty, a pact on transfer of sentenced people, and one on combating international terrorism, organised crime and illegal drug trafficking. India has also recently approved a draft agreement with Bangladesh that would facilitate transfer of convicts between the two nations.

Having lived through a series of terror attacks Bangladeshi undoubtedly had realised that the security of Bangladesh and India were intricately intertwined and anti-India elements within Bangladesh posed equal threat to them too. Under these circumstances the contradictory positions of Bangladesh and India over the ‘surrender’ and ‘capture’ of Indian ULFA leader Arabindo Rajkhowa from Bangladesh seems enigmatic. Both

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7 On May 27, Abdul Rouf Daud Merchant, an operative of the mafia organisation headed by Dawood Ibrahim was arrested. This also led to the arrest of Arif Hossain alias Chacha, another Indian fugitive from Dhaka in June. The subsequent arrest of Moulana Mohammad Mansur Ali, an Indian national linked to the Pakistan-based militant group Lashkar-e-Taiba (LeT) from a madrasa in Dakkhin Khan area of Dhaka on July 20, 2009. He was also involved in the attack on the American Centre in Kolkata on January 22, 2002. The arrest of Mufti Obaidullah, an Indian LeT member in Dhaka, led to flow of further information of other Dawood-led LeT members. “The merchants of crime,” New Age Extra, July 3-9, 2009; “Another Lashkar man captured: The Indian national linked to attack on American Centre in Kolkata,” The Daily Star, July 22, 2009. accessed on April 10, 2009
governments initially offered different versions of the incident which involved ULFA leader Arabinda Rajkhowa along with his deputy commander-in-chief Raju Baruah as well as their families being picked up by Indian intelligence agencies from Cox’s Bazar in Chittagong while trying to cross over to Myanmar.\(^8\) Notwithstanding Bangladesh’s aim to help India, the conflicting stories that emerged reflects Bangladesh’s fears of retaliation by these insurgents and their affiliates.

### 2. Trade and transit

Within days of assuming power, the Bangladesh government approved the renewal of the bilateral trade agreement between Bangladesh and India. This agreement allows both countries to use their waterways, roadways and railways for transportation of goods between two places in one country through the territory of the other. But once again a routine exercise of an agreement that is renewed every three years since it was originally signed in 1972 was used by the opposition in Bangladesh to take to the streets.\(^9\)

In January 2008, under the SAFTA provisions the Government of India had provided duty-free entry of Bangladeshi products into India. The negative list was further reduced from over 700 products to about 400. This included about 50 items that Bangladesh had provided in its 101 item list. Bangladesh has been unhappy about India levying cess duties on this item. It also approved the Bilateral Investment Promotion and Protection Agreement (BIPA), to increase trade and investment with India. While this was another long standing Bangladeshi demand, the signing of this agreement has not seen any rush of Bangladeshi investment into India.

The Bangladeshi political wariness clearly triumphs over economic decisions with regards to the transit issue. Bangladesh has several arguments to resist the Indian demand for allowing transit for its goods to its northeastern states. The BNP-led opposition is once again spearheading protests against Bangladesh signing any agreement with India over transit. However, there are several infrastructural issues which would need to be resolved before the full implementation of such an agreement. Road, rail and waterways are all likely options for transit of goods but in the absence of a political consensus there is little scope for exploring the various avenues. Apart from the transit fees that will accrue to Bangladesh this agreement will open up opportunities for it to develop as a trading hub, with India’s northeast. The cost of trade will also decrease once containers through railways and waterways start movement.\(^10\)

\(^8\) “ULFA Chairman Rajkhowa held in Bangladesh, flown to Delhi,” Economic Times, December 3, 2009.

\(^9\) “Why all these political theatrics? Nearly four-decade old trade agreement is only being renewed,” The Daily Star, February 10, 2009. accessed on April 14, 2009

Bangladesh and India are also discussing the option of using the protocol on Inland Water Transit and Trade for operating cruise services and transporting passengers in addition to cargo. Both countries are keen to promote river cruise activities on inland waterways by providing policy support and fiscal incentives for infrastructure and fleet augmentation (of inland tourism vessels) in a sustainable manner.

With the signing of two agreements related to purchase of electricity and expansion of trade and commerce, during Sheikh Hasina’s latest visit India will be able to use the Ashuganj port to build the power plant at Agartala, that will sell 100 megawatts of electricity to Bangladesh. This agreement can also be extended to road transit where goods from Ashuganj port can be offloaded and then taken by road to Agartala. For electricity to reach Bangladesh the two grids, one at Binodpur on the Indian side and another at Bheramara in Bangladesh, will need to be connected. Once the grids are connected, the switching arrangements will be on the Bangladeshi side.

India’s attitudinal change is visible in its agreeing to allow Bangladesh transit from Nepal and Bhutan. For years Bangladesh was asking for unhindered transit to Nepal and Bhutan. To recall, the tri-nation gas pipeline from Myanmar fell through on this issue. India is now not only viewing a road transit which will be effective with the signing of a motor vehicle agreement but is also looking at railway transit through Rohanpur-Singala, as well as Holdibari-Jhilaihati. India’s belated acceptance of the long pending Bangladeshi demand prevents this gesture from being converted into goodwill generation. For long India was reluctant to dilute its geographical importance by allowing its neighbours to deal with each other without India as a go between. By agreeing to complete transit between Bangladesh and Nepal and Bhutan India has shed its erstwhile inhibitions. Similarly, the electricity grid could also be extended into regional grid, another issue that India has been reluctant to examine for years.

3. Tipaimukh dam

In several of the Indo-Bangladesh bilateral issues, Awami League and BNP the two main political parties in Bangladesh, have taken contrasting positions. Likewise Bangladesh has been opposing the Tipaimukh dam that India intends to build in Manipur. As expected this issue has been hijacked by the opposition. Arguably, India had not initially clarified its position at home or abroad. A Bangladeshi parliamentary delegation visited India to gather all the information about the dam. Indian Prime Minster assuring Bangladesh that this project (building a 162.8-metre high rockfill dam around 500 metres downstream

11 India can send turbines Over Dimensional Consignments for the Palatana Power Project through this port to Agartala.

12 As a run-of-the-river project, the Tipaimukh was meant to develop power generation and is not a water diversion project. Apart from generation of hydropower it would also control floods in both Manipur and Mizoram.
of the confluence of river Barak with Tuivai, capable of generating 1500-MW hydropower) will not be implemented if there was any evidence about its harmful effect to Bangladesh quietened the Bangladeshi opposition to some extent.

4. Border settlements

The blame for not resolving the land border issue between the two neighbours has often been laid at the doorstep of India. Although the converse is actually true. Post 2006 there has been some movement on this front.\textsuperscript{13} The joint surveys along the 20 border pillars to review and finalize the draft demarcation along the Bangladesh-Tripura borders revealed that the populations settled in the enclaves were largely well integrated into the areas. Both governments are now examining the possibility of redrawing the international border to mitigate the problem.\textsuperscript{14} So far as the adverse possession lands were concerned, the residents were directly administered by the state that occupies the land, they enjoy all legal rights including voting. The survey also revealed that the residents were unwilling to move. Even though no formal agreements were concluded, this understanding could serve as the basic parameter for any eventual settlement. Both sides are also considering electrification of Dahagram and Angarpota enclaves along the Indo-Bangla border.

The maritime boundary delimitation will also involve flexibility on both sides more so from India. With India and Bangladesh differing over measuring the base line point, there are conflicting claims on the EEZ and continental shelf beyond that. This has given rise to overlapping claims by each country to the marine resources and offshore drilling rights.\textsuperscript{15} Though the issue has now gone for arbitration as laid out in international agreement, Bangladesh has been voicing its preference to bilaterally resolve the differences. The subject has been discussed after a gap of 25 years and despite the obvious gap there are suggestions that India can, given its geographical advantage, agree to a common area where both countries can tap the natural resources within certain conditions laid. Such generous positions usually do not hold much appeal to the Indian government, but the technical

\textsuperscript{13} In May 2007 a joint Land Record and Survey team went to Shyamnagar border, Satkhira and inspected the standard of border demarcation pillar at Bhetkhali, a border village in Shyamnagar upazila. In April 2008 a second team surveyed the Tripura-Habibganj area to demarcate the Tripura-Bangladesh border.


\textsuperscript{15} According to UNCLOS and the International Court of Justice, the guiding principle to determining the EEZ is the distance criterion and not geography or geomorphology. Thus based on the equity distance principle, Bangladesh stands to lose “5,000 square kilometres and a potential loss of related hydrocarbon and fish resources.”. B.G. Verghese, “New Opening in Dhaka,” New Indian Express, January 22, 2009, http://www.expressbuzz.com/edition/story.aspx?title=New+opening+in+Dhaka&artid=4QxBHNuC2zHe=, accessed February 18, 2009.
level bilateral meeting will be held soon and there may be an expectation of Indian creativity under the positive bilateral atmospherics.

5. Water sharing

The issue of water sharing is the most emotive issue in Bangladesh and there is heightened expectation in Bangladesh for an early agreement on the sharing of Teesta. Although post the 2009 Foreign Ministers meeting at New Delhi, agreement to a joint hydrological observation team, to prepare the draft on water availability and other related issues. The two technical teams met in December 2009 to discuss the water flows but Bangladesh’s expectations of 3,000 cusecs of water per day during the lean season will be difficult to fulfill by India.

In 2008, both sides agreed to joint dredging for better facilitation of river navigation along the Calcutta-Haldia and Karimganj river routes. Dredging will improve navigation on the rivers between Haldia and South Assam river ports and between Calcutta and South Assam river ports, facilitating transportation between the Northeast and the mainland as well as between Bangladesh and Northeast India. Other than the common waterways India has also has committed to assist Bangladesh with dredging of some of its rivers to increase their navigability and irrigational facilities. With the inauguration of the river jetty in Badarpur, 25-kilometre west of here, steamers from Calcutta-Haldia can reach Karimganj port through Bangladesh territorial waterways, sailing downstream from Barak to Badarpur.16

Towards an enduring relationship

India and Bangladesh have embarked on a bilateral path that holds great promises for the future. The political will generated on both sides to recognize each other’s concern can provide a firm foundation for bilateral relations that needs mutual trust and faith to impart it with further dynamism. Bilateral relations are consolidating at a quick pace and may seem perched on a ‘breakout’ soon. But given the sharp polarization of Bangladeshi domestic politics, the Awami League government will have to find ways to take along the opposition. The cost of non-cooperation can never be over emphasized. Hopefully, the renewed ties can intensify the high level political contacts and institutionalise the framework for future engagements. Irrespective of the issues on hand, the political resolve to continue dialogue to work towards mutual good has no alternatives.

Possible To Do

During the visit, India could do the following:

- India’s assurance of it being a reliable and genuine partner for mutual co-operation and benefit be unambiguously conveyed by addressing many of Bangladesh’s genuine concerns. India’s commitment towards Bangladesh needs clear illustrations. Alongside Bangladesh will need to be communicated the benefits of doing business with India.

- The implementation of several decisions needs to be put on fast track. The unfulfilled Indian promise to build the Sidr-affected Bangladeshi villages is a case in point.

- India needs to adopt a more liberal approach on trade issues, and minimise completely the tariff and non-tariff barriers. The cess imposed on the eight million RMG pieces may be waived as a special gesture. A joint study group could examine the issues closely to resolve the inherent intricacies. Greater integration of the economies will be beneficial to both sides and towards this end India can be more responsive towards Bangladeshi demands. The joint team can also study the feasibility of the bilateral FTA.

- Greater integrated economies will also offer greater solution to the continued flow of population from across the borders. The problem of undocumented influx will need imaginative solutions as no amount of border patrolling by India has been able to address it fully. Border economic zones may be developed for better use of border resources including its population.

- Water sharing is a highly volatile issue in Bangladesh and although it has greater per capita water availability than India water management is not optimum in Bangladesh. Indian technical support may mitigate that to some extent. While there is progress with the Joint River Commission talks on Teesta, a high level assurance by India that as an upper riparian state it will always consider Bangladesh’s interest and work towards mutually acceptable solution will soothe Bangladeshi domestic nerves. Indian display of openness and transparency on water sharing issues and also its water linking project will help douse the rising Bangladeshi nationalistic rhetoric.

- Possibility of a joint river basin development between the two sides may be pursued.

- Border issues need to be resolved at the earliest. The promised 24 hours access to the Tin Bigha corridor needs implementation on fast track. The enclaves issue has festered for too long and begs quick resolution. The idea of an international boundary as had been suggested recently may also be an imaginative resolution.

- Joint teams may manage the border more effectively. Mobile teams with personnel from both sides could man the areas and alleviate the civilian killings that occur regularly. Indian technological advancement needs greater applicability for better border management.
While India’s position on the maritime boundary delimitation is legally accurate, a liberal interpretation of the ground reality by India may give Bangladesh access to some mutually acceptable common areas and allow it to tap some of the available hydrocarbon and fish resources.

India can facilitate Bangladeshi students’ studies in India on par with which it does to students from Nepal and Afghanistan. Indian educational Institutions can initiate greater student exchange programmes with Bangladesh.

Bangladesh needs a more enabling environment to encourage Indian investments in Bangladesh. The problems of governance and red tapism need to be streamlined for mutual benefit.

Institutionalize an annual Summit meeting between the two sides.

As two states with interlinked security concerns and future growth partners, India and Bangladesh need to become strategic dialogue partners.