## **ISAS Brief**

No. 437 – 28 June 2016 Institute of South Asian Studies National University of Singapore 29 Heng Mui Keng Terrace #08-06 (Block B) Singapore 119620 Tel: (65) 6516 4239 Fax: (65) 6776 7505 www.isas.nus.edu.sg http://southasiandiaspora.org



## Brexit, Bangladesh, and a Tale of Time-Tested Ties

## Iftekhar Ahmed Chowdhury<sup>1</sup>

The British are not generally prone to martyrdom. However, whenever they embraced it, their literature celebrated it. Take the charge of the Light Brigade, for instance. During the Crimean war in the nineteenth century, six hundred brave British cavalrymen rode themselves to self-destruction. That happened because a commander had issued an erroneous order. Alfred Lord Tennyson penned a paean of praise to that act of valour in a famous English poem. For that reason the unfortunate event has been indelibly etched in history. But the action itself was quite meaningless. It made no military or strategic sense. Likewise when the British voted to leave the European Union, the idea of self-destruction came to many minds. It did not, immediately, seem to make any political or economic sense. Someday, some will doubtlessly find reason in this decision, and like Tennyson with regard to that Crimean episode, praise it as an act of courage. But perhaps not quite yet.

In the United Kingdom itself, the immediate consequence has been a sense of chaos. A tad surprising, because the British had brought it upon themselves. The pound plummeted to a thirty-year low. Prime Minister David Cameron announced his resignation, albeit to take

<sup>&</sup>lt;sup>1</sup> Dr Iftekhar Ahmed Chowdhury is Principal Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore. He can be contacted at isasiac@nus.edu.sg. The author, not ISAS, is liable for the facts cited and opinions expressed in this paper.

effect at a later date, exacerbating some of the uncertainties. The loyal opposition, led by the ultra-leftist JeremyCorbyn, confronted a major shake-up as his 'loyalty' to the government's position could now result in his downfall. Scotland, which voted to 'remain' (in the European Union), now has its First Minister Nicola Sturgeon echo the sentiments of Robert Bruce and William Wallace, seeking separation from the English (and the Welsh, by implication). A dis-United Kingdom (or 'Divided Kingdom', as some quarters are already beginning to remark) that too hived off from the European Union, would have huge ramifications for the rest of the world. Particularly parts of the world that have dealt closely with that country and nation. Like, much of South Asia.

Right now, the rest of the world are trying to make some sense of the 'Brexit' vote. But more importantly, they are trying to examine the ramifications of that act of the British electorate for themselves. This, with a view to safeguarding their interests from any negative impacts. The same is true of a country like Bangladesh, which is the larger part of the old Bengal, which has related to Britain for over two-and-a-half centuries. Indeed Bengal was the region that provided the British their first toe-hold in South Asia, which they obtained through a mix of dare and deceit, first for the East India Company (Battle of Plassey, 1757) and then for the Crown (1857), of which India began to be perceived as the greatest jewel.

The British impact on Bengal has always been profound. The intellectual efflorescence of the cultured middle class (or the Weberian 'protestant' social category that has been called the *bhadralok*), that found fruition in what was described as the *Bengal Renaissance*, has been largely attributed to the British influence. The British also confronted considerable political resistance, which was what actuated them to shift the capital from Calcutta in Bengal to Delhi in the Punjab in 1912.Through the nascence of East Pakistan in 1947, and thereafter the emergence of Bangladesh, the interactions with Britain across a broad spectrum continued. The Bangladeshi diaspora in Britain grew exponentially. Today three elected Members of Parliament from London are of Bangladeshi origin, Bengali or Bangla is one of the first three languages spoken in London, and *chicken tandoori masala* rendered popular by restaurateurs from Bangladesh, has replaced 'fish and chips' and 'steak and kidney pie with Yorkshire pudding' as Britain's most favoured pub-fare.

Britain also acted as a major conduit to linking Bangladesh to Europe, despite the fact that in the early-1970s when Britain joined the European Union (EU), Bangladesh also shared the sense of abandonment felt in parts of the Commonwealth. Bangladesh profited enormously

through the resultant linkages with the EU. The EU's 'everything but arms' (EBA) policy, which translated into preferences for Bangladeshi exports, particularly garment manufactures, proved to be of great benefit in lifting swathes of Bangladeshi people out of poverty. Currently 60.28% of Bangladesh's total garment exports annually go to the EU, and in the last fiscal year these fetched US\$ 15.37 billion. Besides EU foreign aid programmes provided US\$413 million over the past three years to Bangladesh in support of sectors like health, education, food security and rural development. The EU's policy of agricultural subsidy, often decried in many developed and developing countries, ironically was helpful to Bangladesh by rendering grain-import cheaper. EU 'soft power' has assisted Bangladesh in the holding of elections.

This is not to say that the relations with the EU will alter in any substantial way due to 'Brexit'. But the extent to which London provided a bridge for Dhaka to Brussels, and British politicians, with notable Bangladeshi constituents, acted to intercede for Bangladesh in European councils, will cease. Also affected will be the benefits that the United Kingdom (UK) used to accord Bangladesh as a component part of EU. This includes the Generalized System of Preferences (GSP) that enabled Bangladesh to sell US\$3 billion worth of garments to the UK last year.

On several fronts 'Brexit' would affect UK-Bangladesh relations directly. First, remittances from the Bangladeshi diaspora in the UK now amount to US\$ 1 billion. Should the value of pound remain low, the remitters will either hold back transmittals till it rises again, in which case the impact will be immediate, or in any case if they feel obligated for family reasons to continue to remit with a low-value pound, the amount will reduce. Secondly, should the economy of Britain experience a recession, British imports from Bangladesh will fall, as will the income of the Bangladeshis in Britain. Thirdly, the unimpeded movement of alreadysettled Bangladeshis in Europe to Britain, for education and other purposes, will drastically reduce. Fourthly, the cheap supply of East European labour to the Sylheti restaurants throughout Britain (an overwhelming majority of the so-called 'Indian restaurants' in the UK are owned by migrants from the district of Sylhet in Bangladesh) will drastically come down. Finally, and most importantly, the Bangladesh authorities (the Prime Minister's Office, the Foreign Office, the Commerce Ministry, the Chambers et al) must diligently prepare to negotiate with London the continuance of facilities that were enjoyed by them with the UK as a part of the EU, and which will no longer be automatic. Bangladesh, as a Least Developed Country (LDC) had a more favourable status as an economic and trading partner of the UK

than India and Pakistan; Bangladeshi negotiators must ensure that such remains the case. Britain-Bangladesh relations is a tale of time-tested ties that will continue to evolve, but will need to be guided in ways beneficial to both sides.

'Brexit' might weaken the spirit and sense of regionalism elsewhere in the world. This might include the South Asian Association for Regional Cooperation (SAARC). Here one must be very wary. Granted SAARC is not a stupendous success as a regional body. But it was not intended to replicate the European project. It was meant to provide the people of theregion a sense of identity, which it has, and this is its great achievement. However, it might alter the thrust of its course, and give greater impetus to sub-regional initiatives such as BBIN (Bangladesh, Bhutan, India, and Nepal), which is another matter.

As for 'Brexit' itself, we are not much aware of what will happen next. But as the great international relations theoretician, Hedley Bull, had observed, it is better to recognise that we are in darkness than to pretend that we can see the light. The next few months will witness much turmoil. Britannia may no longer rule the waves, but despite its shrinking size, its cosmopolitan culture, its language, its innovation and its arts will remain key elements driving technological globalisation. Come what may, with or without Scotland, as the famous refrain goes, 'there shall always be an England', and the world will need to continue to deal with it.

• • • • •