ISAS Brief

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Thames to Teesta and the Himalayas

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Europe is evolving a new kind of relationship with the South Asian states. It draws upon the interactions of the past colonial era on a matrix of current international relations. This paper is an examination of this trend and covers the relationship among four factors – Europe, Bangladesh, Nepal and Bhutan.

Bangladesh

The historic relations between the old Bengal, of which present-day Bangladesh is a part, dates back to the eighteenth century. Following the battle of Plassey in 1757, the British gradually expanded their sway throughout Bengal, and beyond, and made Calcutta the capital of the British Indian Empire (which remained so until the seat of government was shifted to New Delhi in 1911). The European influence on Bengal was mostly British, though there was a minor French presence as well. The so-called Bengal Renaissance, the intellectual efflorescence of the Bengali middle-class or the *bhadralok*, was owed to British influence.

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This was markedly so even in the works of the grand old man of Bengali literature, Rabindranath Tagore (Irish strains in many of his musical works are discernible).

With the emergence of (East) Pakistan in 1947, and thereafter of Bangladesh in 1971, the British influence, socially, politically and economically, persisted. Bangladeshi diaspora in Britain made substantive contribution to the development of the host culture. Writers like Zia Haider and Tahmima Khan are examples. It is the Bangladeshis who rendered *Chicken tandoori masala* the most favoured pub-fare in England. British politicians of Bangladeshi origin today sit in both Houses of Parliament and hold several local Council mayorships. This is also the case with the diaspora in Europe, though less prominently so.

The relations between the European Union and Bangladesh are rooted in three major documents, that are dated 1973, 1976 and 2001. The last was the most substantial one that included political dialogue. In 2007 the EU drafted its Country Strategy Paper that covered the period till 2013. It identified the following as key challenges confronting Bangladesh:

A continued struggle in addressing the structural problems of poverty and achieving the (UN) Millennium Development Goals by the target date of 2015;

Good governance problems that affect the efficient and effective delivery of the basic public services to the poor; and

Potential economic and political shortfall following the termination of the WTO textile quota system; and the need to diversify the industrial base and also improve the enabling environment for business.

It is noteworthy that the document was prepared acknowledging Bangladesh's own response to the challenges contained in its Poverty Reduction Strategy Paper crafted in November 2005.

The EU determined that its impact would be maximised and there would be more effective use of resources if development commitments were concentrated on three focal areas (Human and social development, Good Governance and human rights, and Economic and trade development) and two non-focal areas (Environment and disaster management, and Food security and nutrition). The EU's decision to provide unimpeded market access through EBA or the policy of 'Everything but Arms' has been a great boon for Bangladesh's garment exports. Along with America's, the European market turned Bangladesh's garment industry into the locomotive of economic growth of that country, helping poise it on the threshold of being perceived as another emerging Asian economy, which takes full advantage of the preferential trading system. The EU is currently the destination of 48 per cent of Bangladesh's total exports. As for foreign aid over the next three years, the EU will provide Bangladesh with US\$ 413million for support to health, education, food security and rural development sectors. This is part of the plan to assist Bangladesh achieve by 2015 the MDGs set by the UN. While many western and developed countries are critical of the EU's policy of agricultural subsidy, ironically it renders grain cheaper for net food-importer like Bangladesh. In the setting up of Bangladesh's National Human Rights Commission, European support has been invaluable, as also in the election process in 2008. Having been a member of the government through this period, the author would like to underscore the critical nature of his relationship with Ashton's predecessor, Austria's Benita Ferrero.

Nepal and Bhutan

Unsurprisingly, Nepal's European contacts were, and still are, largely through the United Kingdom. The ties between Britain and Nepal go back a couple of centuries. But it was a conscious policy of Britain 'not to colonise, but to partner and influence', in the words of a British Ambassador to Nepal, Andrew Sparkes. It was the Treaty of Sergauli in March 1816 that established formal relationship between Nepal and Britain as two independent states, confirmed by the 1923 Treaty by which London accepted Nepal as an independent country. Nepal became an important recruiting ground of Gurkha troops for the British Army, who fought so valiantly for the British Empire during the two World Wars. The romance of the Himalayas always beckoned British adventuring climbers, including George Mallory, who died in his effort to climb the Everest 'because it is there!' (As he had famously said.) Today Britain remains the largest single-country donor for Nepal, providing around 106 million pounds annually.

Nepal's formal ties with the EU began in 1975 and the EU-Nepal Cooperation Agreement was signed in June 1996. Within its framework EU-Nepal Joint Commission meetings take

place on a bi-annual basis. The EU uses this forum to discuss with Nepal the prevailing political situation following the Maoist uprising, and Nepal's democratic transition to a republic from a monarchy. The EU's primary focus is on three sectors: one, education, peace and stability; two, trade facilitation; and three, economic capacity-building. Between 2011 and 2013, EU development assistance amounted to 60 million euros.

The EU also evinces keen interest in such areas as the protection and promotion of human rights, food security, environmental conservation, safe migration, public finance management and sustainable production and consumption practices. Nepal and the EU also cooperate in disaster risk-management, and adaptation and mitigation in regard to climate change. The Europeans are appreciative of Nepal's role in the United Nations as a provider of peace-keeping forces.

Bhutan was in a competitive relationship with the East India Company of England from as early as the eighteenth century. Apprehensive of British intrusions the '*druk desi*' signed a peace treaty with the British East India Company in April 1774. Bhutan agreed to pay a symbolic tribute of five horses to the British, and more importantly, allowed the latter to harvest timber in Bhutan. However boundary disputes continued; Bhutan sent an emissary to British Calcutta in 1787, and Britain despatched missions to Thimpu in 1815 and 1838, but talks were inconclusive. Eventually, the *Ponlop* of Tongsa, Ugyen Wangchuk earned British favours by providing services to secure the Anglo-Tibetan Convention of 1904.

Bhutan's foreign relations defer largely to India's, and it was the first foreign destination in June 2014 of the new Indian Prime Minister Narendra Modi. Nevertheless Bhutan has made an international impact by introducing democratic reforms and introducing the index of 'gross national happiness' as a yardstick of progress and development in the UN. This seeks to balance spiritual and material advancement through sustainable and equitable economic growth and development; preservation and sustainable use of the environment; preservation and promotion of cultural heritage; and good governance.

Though the EU does not have a permanent presence in Thimpu, in 2015 EU and Bhutan will celebrate thirty years of diplomatic relations. These began in 1985. The EU-Bhutan Strategy Paper (2002-2006) allocated 15 million Euros in assistance with priority accorded to renewable natural resources, especially livestock production and integrated pest management. Support was also given to the promotion of health and traditional medicine, trade development, and export diversification. The next Strategy Paper (2007-2013) mainly

focused on the renewable natural resources sector. Good governance, democratisation and trade facilitation were also listed for support. In the financial cycle beginning January 2014 development assistance is planned to be enhanced significantly. The idea would be to buttress Bhutan's own policy of reducing rural poverty by creating income-generating activities in the villages and improving farm-to-market access.

Along with Nepal and Bangladesh, Bhutan is in the UN list of Least Developed Countries, and, therefore, like the two others, a recipient of EU preferential treatment in trade.

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