

## EU-CSAM: An ASEM for Central and South Asia?

by John Quigley

In external relations policy, the EU has important objectives in promoting regional integration between third countries themselves and in promoting links between these regions and the EU. For various reasons, regional integration in Asia has only slowly been recognised by Asians as a worthwhile endeavour. The vanguard in this respect is the Association of South-East Asian Nations (ASEAN) not least through the Asia-Europe Meeting (ASEM) an informal mechanism whereby Heads of State or Government can get together to discuss issues of mutual concern.

In comparison to South-East Asia, the process in South Asia is much less developed and regionalism in Central Asia has yet to emerge fully. The EU has political and trade relations with the South Asian Association for Regional Co-operation (SAARC) although the last SAARC Summit took place in January 2004 and there has not been any EU-SAARC interaction at Ministerial level since 1999. Currently, co-operation with Central Asia takes place at a bilateral level. Although the five States of Central Asia have allied themselves with Russia and China to establish the Shanghai Co-operation Organisation (SCO), the EU does not yet have any formal relationship with this regional grouping.

There does, therefore, seem to be a gap in regional co-operation between the EU and Central and South Asia. This gap could be filled by establishing an ASEM-style organisation, which I will tentatively call EU-Central and South Asia Meeting (EU-CSAM). One of the central issues of ASEM is that despite its name, it does not include all of Asia, at least as defined by some Asians and by the EU. Indeed, the reluctance of some Asian countries to expand the membership of ASEM relates to this very fact. It is in this vein that I propose a separate but similar style organisation that would take account of the needs of Central and South Asian States to engage with the EU, across an equally broad range of issues that South-East Asia does through ASEM and in a similar informal setting. The Asian members of

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EU-CSAM would include the seven countries of SAARC, the five States of Central Asia, Iran and Afghanistan. It can be argued that India has an interest in joining ASEM, not least following the declaration of its intentions in the last EU-India Summit which took place in November 2004.

At the last ASEM Summit, in Hanoi on 8<sup>th</sup>-9<sup>th</sup> October 2004, EU and Asian leaders did address the question of the enlargement of ASEM. In general, this was to confirm the participation of the ten new EU Member States and the remaining three ASEAN States, Burma, Cambodia, and Laos still outside the framework. The meeting suggested that ASEM would need some time to integrate the new members and to consolidate its activities. As regards further enlargement, on the EU side, it seems this will most likely be future members - Bulgaria and Romania - who signed treaties of accession on 25<sup>th</sup> April. Otherwise, the Summit suggested the "important role of other candidates" should be considered. ASEM Foreign Ministers are due to issue a report on the issue.

If the EU was to decide to keep only one organisation for Asia-Europe co-operation, at this level, then enlarging ASEM to make it truly representative of Asia, to include the seven South Asian States, the five States of Central Asia and, possibly, Afghanistan and Iran, would make ASEM impractical in operating terms. Indeed, it is hard to see how it will manage now with the EU25, plus two more in 2007, plus the European Commission and the ASEAN 10. It seems unlikely that ASEM will ever be enlarged to include South Asian countries or even India by itself. In any event, cherry-picking future members should not be an option and would make ASEM's claim to represent all Asia even more fatuous.

There should not be any reason why the three pillars of ASEM could not be reproduced in EU-CSAM including a political pillar, economic and financial pillar and a socio-cultural pillar. Although, it would have to be recognised that the level of regional integration in Central and South Asia is markedly lower than that of South-East Asia and, therefore, the prospect for progress would be lower. One of the advantages of such a 'neutral' grouping, for both the EU and Asia, would be that neither China, Russia nor the USA would be involved. The questionable governance of some of the prospective members should not be too much of a problem for the EU as it has shown remarkable ingenuity in dealing with some South-East Asian States, including Burma.

There are many issues that EU-CSAM could address including tackling drug production, promoting education, trade, energy, security, weapons proliferation, the environment, trafficking, migration, culture, political reform, respect for human rights and fostering the development of civil society.

In light of the fact that some East Asian countries do not want countries like India in ASEM perhaps the time has come for the EU and Central and South Asia to get together to establish an ASEM-like grouping.

EU-CSAM could help promote regional co-operation in Central and South Asia, with SAARC and the Central Asia States learning from the EU experience, in the same way that ASEAN has adopted some of the integration practices of the EU in South-East Asia. EU-CSAM might help South Asia, in particular, transcend the quagmire that hinders regional development in SAARC due to the tension between its biggest members - India and Pakistan.

Equally, the EU's co-operation with Central and South Asia can not be held hostage to the wishes or timetable of our partners in South-East Asia. In EU-CSAM, the principle of informality seen in ASEM should be maintained. The new grouping could also learn from the problems seen in ASEM by establishing, from the outset, a proper Secretariat.

Creating EU-CSAM would not be an attempt by the EU to question an aspect of the political-military-strategic relationship of these third countries amongst themselves, as they are currently organised. Rather it would reflect an attempt by the EU to formalise a relationship with two regions and address inter-regional concerns by offering the EU's experience. Equally, the EU has legitimate political, security, economic and strategic interests in South and Central Asia. EU-CSAM could both be an important forum to address these concerns and a forum to bring South Asia together with Central Asia, in an informal setting.

The value of an ASEM-style organisation for Central and South Asia is further evident when it is considered that, currently, the EU only has formal political dialogue with one State in the region - India - through the annual EU-India Summit. Integrating the Central and South Asian States, including Iran and Afghanistan, would both meet EU objectives and offer an important mechanism to political, economic and cultural relationships. ■

# The ASEAN-EU Ministerial Meeting and the EU-ASEAN partnership

by Benita Ferrero-Waldner

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On the 10<sup>th</sup> March, I participated in the 15<sup>th</sup> regular meeting of Foreign Ministers of the European Union and the Association of South-East Asian Nations (ASEAN), held in Jakarta, Indonesia. With meetings held roughly every 2 years, it represents some 30 years of political dialogue between South-East Asia and Europe, making the EU the oldest dialogue partner of ASEAN.

The relationship has developed over the years because we share many common features and values, as well as important political and economic interests. We have moved from a relationship based on economic and development ties to a rich partnership that encompasses some of the most challenging issues that face our world today such as human rights, global terrorism and science and technology. The basis of our relations remains firm and Europe's presence in South-East Asia is undeniable. European companies are the biggest investors in ASEAN, and the EU is the third largest trading partner to ASEAN countries.

The EU is a strategic partner to ASEAN. The EU's position to this region always has credible substance with transparent political ambitions. This, as well as the experience of thirty years of dialogue, explains the good atmosphere that exists at EU-ASEAN meetings in general and at the last meeting in particular. In addition, EU enlargement has meant that, for the first time, 25 European countries, the European Commission, 10 ASEAN countries and the ASEAN Secretariat all gathered around the table for the latest EU-ASEAN meeting. This enlarged EU has given the partnership more weight thus making it more interesting for our ASEAN partners.

The meeting took place barely three months after the Asian *tsunami* crisis, the worst natural disaster of recent history. Besides being a strong reminder of trans-national challenges that we all must face together, the meeting allowed the EU to reconfirm its solidarity with the people of the ASEAN countries. The EU was able to set out its emergency and reconstruction efforts, underlining our determination to see its results through. Europe's response to the *tsunami* crisis was immediate and generous with €1.5 billion committed from both the Commission and EU Member States. The Commission alone pledged €450 million to the affected areas: €103 million has been committed for humanitarian aid and €350 million for rehabilitation and reconstruction has now been programmed. A

separate budget for the civil protection element has been proposed in the recent financial perspectives package in the form of humanitarian aid.

ASEAN expressed its appreciation of the EU's strategy, dating from 2003, on 'A New Partnership with South-East Asia', which enables the partnership to go beyond traditional economic and development co-operation and include human rights, counter-terrorism, migration, science and technology, trans-national crime and many more issues. We started negotiations for a new Partnership and Co-operation Agreement; setting up and endorsing mechanisms for regional dialogue, starting up tri-lateral co-operation (between lesser developed ASEAN countries, a developed ASEAN States and the EU) and starting co-operation in new areas. Gradually we are shifting the paradigm towards a more modern and mature relationship: the New Partnership Strategy is proving to be a useful framework for enhancing our relations.

While security is a prime issue for both entities and increasingly discussed between us, the EU believes that the right approach is to tackle the root causes of instability and the new threats which face us. This has given renewed impetus to our commitment to reduce poverty and to lessen the gap between the richest and poorest. ASEAN and the EU share this commitment. The Commission has shown its determination to support such aims by targeting our substantial aid programmes, which total around €550 million for 2002-06, to the poorest in these regions.

Regional stability is also essential to any serious attempt to tackle the threats posed by terrorism, the proliferation of weapons of mass destruction and rogue States. The work of the ASEAN Regional Forum, the only Asia-wide security organisation, is of immense significance, both for the region and for the wider world. Such international co-operation is vital and the EU and ASEAN see eye to eye on the importance of this multilateral instrument.

Europe and the ASEAN region share a common position on many global issues such as dealing with the adverse effects of globalisation, poverty, failing States, organised crime, trafficking in drugs and prostitution and terrorism. It is therefore no surprise that we are both strong supporters of the multilateral system. In Jakarta, we exchanged views on such issues as the Kyoto Protocol, the Millennium Development Goals, but also on international political issues including North Korea and the Middle East, in most cases with strong agreement. We hope to build on this political dialogue and to work together in the future on these international issues.

The EU believes that respecting democracy, human rights and the rule of law is crucial for attaining lasting security and prosperity across the world. Therefore, the



EU has consistently expressed apprehension about the situation in Burma/Myanmar. I believe that there is an understanding of why the EU does so and appreciation for the manner in which it is expressed. In my view, the ASEAN and EU position on this matter shows signs of converging rather than the opposite. It is imperative that the EU work even more than before with ASEAN on this matter.

The EU views regional integration as a key task. This belief stems from our identity, as an organisation created to bind together former foes. We promote such integration elsewhere in the world because we are convinced it brings enormous economic and security benefits. Of course, every region will have its own model but, as ASEAN prepares itself for the establishment of the ASEAN Community by 2020, we have again stated that we stand ready to offer ASEAN our support and experience, if so asked. Discussions are already underway about the EU providing expert advice in dispute settlement on internal markets.

While we venture into the 21<sup>st</sup> Century there is ample room for ASEAN and EU to work in close partnership on strategic, economic and political issues of our time. Whilst respecting obvious differences, there are increasing similarities and shared interests to build upon as a guarantee for a continued EU-ASEAN relationship that matters. ■

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### **Information Note:**

The Foreign Ministers Meeting of 10<sup>th</sup> March was preceded by the 15<sup>th</sup> ASEAN-European Community Joint Co-operation Committee (JCC). The JCC took place in Jakarta on 26<sup>th</sup> February. Among the issues discussed were EU support for trade and non-trade dialogue through the Trans-Regional EU-ASEAN Trade Initiative (TREATI), the Regional EC-ASEAN Dialogue Instrument (READI) and the EC-ASEAN Programme for Regional Integration Support (APRIS). These initiatives take place within the context of the European Commission's EC-ASEAN Regional Indicative Programme 2005-06.

The meeting was co-chaired by Dr Marty Natalegawa, Director General of ASEAN-Indonesia, and Erich Muller, Director for Asia, EuropeAid, European Commission. Both sides agreed to develop a Work Plan for future co-operation that would include a timeframe to pursue progress in ASEAN-EC co-operation programmes, as described above. The 16<sup>th</sup> JCC meeting is scheduled to take place in Brussels in 2006.

## Starting a controversial dialogue: First Parliament mission to Tehran

by Angelika Beer, MEP

For the first time, the European Parliament established a Delegation for relations with the Islamic Republic of Iran. The overall objective of this initiative is to have an institutionalised dialogue with the Majlis (Parliament) on a regular basis. Moreover, this offers the opportunity to get in contact with Iranian authorities and a widespread number of civil society actors.

### **Aim of the first visit to Iran**

After the decision by the European Parliament to establish the new Delegation and my election as Chairwoman, in Autumn 2004, our first objective was to get in direct contact with the Majlis. Together with Vice-Chair's, Romano La Russa (IT-UEN) and Christa Prets (A-PSE), we wanted to explore possibilities for an Iranian equivalent within the Majlis, to our Delegation. This was the main reason of our first mission to Teheran, which took place between 14<sup>th</sup>-18<sup>th</sup> April. Our intention also was to start a dialogue on crucial issues in EU-Iran relations, which include human rights, democracy, bilateral EU-Iran relations and addressing the nuclear issue.

### **Human rights**

Our main concern was to point out that progress on negotiations between the EU and Iran, such as the draft Trade and Co-operation Agreement and an Agreement on Political Dialogue, as well as the talks between the EU3 (France, Germany, UK) and Iran on nuclear non-proliferation was linked to progress by Iran in the field of human rights and, in particular, to positive developments within the formal EU-Iran Human Rights Dialogue. While encouraging signals were given by the Iranian side on the possibility of resuming the Dialogue in the near future, it should be recognised that the overall picture with regard to human rights is not positive and shows little sign of progress:

- the moratorium on stoning seems to be observed at the moment (according to representatives of the judiciary, however, sporadic cases could still occur in the outlying provinces)
- the moratorium on executions for crimes committed by child offenders, while officially in place, seems however not to be observed. While in Tehran, I asked the authorities to intervene in order to stop the imminent execution of a minor (this result was



achieved, at least temporarily and I would like to thank the authorities for their prompt intervention); reportedly, an execution took place in January 2005 for a crime committed when the offender was 17 years old.

- we were asked to forward enquiries on specific human rights cases directly to a representative of the Iranian judiciary. We will take advantage of this offer in the future.

- with regard to the right to a fair trial, conditions for legal representation, access to defence counsels, limits to preliminary detention, the situation is still unsatisfactory.

- on women's rights, it should be stressed that access by women to education has improved significantly and that women do participate actively in political life (including the possible candidacy of a woman to the next Presidential election). Violence against women remains a serious problem, although several Government programmes address the issue. The issue of the *hidjab* was repeatedly discussed in a non-confrontational spirit on both sides.

- on rights of religious minorities and freedom of religion, the Delegation met deputies representing recognised religious minorities (Assyrian Christian, Armenian Christian, Jewish, Zoroastrian). These representatives gave a generally positive view of the situation of religious minorities. Sensitive issues (proselytism, prosecution and penalties for apostasy) were not discussed on this occasion, but a specific case of prosecution for apostasy was brought to the attention of the Iranian judiciary.

- on press freedom, while it is true that the Iranian press comprises more than 1,000 media (all categories included), it is true that media closures and prosecution of journalists are commonplace. A number of those cases were also brought to the attention of the Iranian authorities.

### **Parliamentary democracy**

As most of our official interlocutors stressed, Iran is an Islamic Democracy; aspects of "classical" democracy coexist therefore with aspects of traditional Islamic (Shiite) political organisation. At the moment, religious power, embodied in the Supreme Leader and in the Guardian Council of the Constitution, exerts predominance and control over the classical organs of parliamentary democracy. The clearest example of this situation is the scrutiny of candidacies for the highest elective positions including the President of the Republic, Members of the Majlis by the Council of Guardians, which can also block legislation adopted by the Majlis. Under these conditions, it is unlikely that international observation of the next Presidential elections (even if advocated by a part of Iranian public opinion) would bring any positive effect; on the contrary, it would probably legitimise a process which is flawed from the outset by the exclusion or selective admission of "reformist" candidates.

### **Bilateral EU-Iran relations**

Our interlocutors seemed quite interested in making progress in EU-Iran negotiations. In particular, they felt that EU support for WTO accession could play an important role and expressed hope for an active approach by the EU to the Middle East area. The EU3-Iran negotiations did not figure prominently, but we stressed the link between this dossier and the rest of the negotiations as well as the Human Rights Dialogue.

### **Nuclear proliferation and EU3**

Our interlocutors stressed that Iran had made important investments in its nuclear programme, and that the first Iranian power plant dated back to before the Revolution. Iran insisted that it would keep its capabilities, but it would also abide by all international rules. If Iran's right to keep its capabilities was recognised, the Majlis would surely ratify the additional Protocol to the NPT. Our Delegation expressed its support for the negotiations on long-term arrangements for Iran's civil nuclear programme with the aim of reinforcing the NPT regime, as well as the hope that objective guarantees could be agreed on the abandonment by Iran of possibilities for military use.

### **Conclusions**

Iran is in a difficult, unstable political position. While most hopes of rapid progress towards full implementation of a parliamentary democracy and respect for human rights did not find a realisation, it is true that Iran (or, better said, Tehran) gives the impression of a young, lively city, where people (at least on the surface) congregate freely and an extensive network of "civil society" organisations is ready to discuss political issues. The Presidential elections, scheduled for 17<sup>th</sup> June, will be the next important step at constitutional level, but few people expect reformists will be able to play an important role in this election.

The European Parliament-Majlis dialogue could prove important in establishing a better overall atmosphere for EU-Iran relations. Just as our knowledge about internal developments in Iran and the main characteristics of Iranian society, religion and political system was greatly enhanced by this visit, it is clear, in my opinion, that the Iranian side will draw great profit by a deeper interaction with our political, parliamentary and cultural life. I hope that our visit constituted only the first step in a more ambitious process, which should involve regular reciprocal visits and dialogue and a deeper engagement on items of mutual concern. ■

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# Bhutanese Refugees – a forgotten People

by Fr Varkey Perekatt SJ

Bhutan is a tiny Himalayan Kingdom situated in the eastern Himalayas, bordered to the north by the Tibetan Autonomous Region of China and to the east, west and south by India. It is divided into three geographical zones (the northern and western inhabited by the Ngalongs (Bhutanese of Tibetan origin), the eastern by the Sarchhops (Bhutanese of Burmese origin) and the southern by Lhotsampas (Bhutanese of Nepali origin). The Ngalongs and Sarchhops are Buddhists while the Lhotsampas are Hindus. The total population of Bhutan at present is about seven hundred thousand.

Until the beginning of the 20<sup>th</sup> Century, Bhutan pursued a theocratic government catering to the secular and spiritual. The present hereditary monarchy was instituted in 1907 by the Tongsa Penlop (Governor) Ugyen Wangchuck. In 1953 the third King, Jigme Dorji Wangchuck, established the National Assembly and, in 1969, declared Bhutan a constitutional Monarchy. The Assembly was given the authority to show a vote of confidence in the King every year. In 1971, Bhutan became a member of the UN. The present King, Jigme Singye Wangchuck, who ascended to the throne in 1972, aged 17, withdrew the provision of vote of confidence in the King and has taken several measures to strengthen his own position.

The eviction of more than 100,000 Bhutanese (Lhotsampas) was not an overnight act of the Royal Government of Bhutan (RGOB). It was the result of a carefully thought out plan to depopulate the Lhotsampas from Southern Bhutan through a legal process, namely through the mechanism of a Census Exercise. The RGOB enacted the stringent 1985 Citizenship Act, having revoked the earlier Citizenship Acts of 1958 and 1977 mainly to disfranchise the Lhotsampas and expel them.

In 1988, the RGOB began to implement the 1985 Citizenship Act and conducted a census in the eight districts of Southern Bhutan. All the officials conducting this census were from the North and East. They accepted only documents based on the 1958 Citizenship Act. Those who did not have any document prior to that date were declared non-Bhutanese and ordered to leave the country. During this process, the authorities reclaimed the citizenship cards issued in 1982. In 1989, cultural pluralism was banned and other oppressive measures were used to intimidate the general public. Against this backdrop, Bhutan witnessed the formation of a Human Rights movement in 1990. Genuine grievances were silenced by the

forces of the RGOB. The result was a mass exodus. India was fully aware of this situation, as the refugees travelled many kilometres through India, before reaching the border of Nepal. Most reached Nepal between 1991 and 1993.

As the number increased, His Majesty's Government of Nepal (HMGN) sought the help of UN High Commission for Refugees (UNHCR), the UN World Food Programme (UNWFP) and other international and national NGOs to be at the service of the Refugees. The UNHCR had the overall responsibility of co-ordinating and monitoring its Implementing Partners (IPs) including the Asian Medical Doctors Association (AMDA) on health; CARITAS Nepal on education, disability, and vocational training; the Lutheran World Federation (LWF) on infrastructure construction, maintenance and repair; the Nepal Red Cross Society (NRCS) on the distribution of food and non-food items; and UNWFP on food supply.

On 31<sup>st</sup> March 2005, the population distribution of the seven camps was as follows:

Camp I: 18,110	Camp II: 22, 334
Camp III: 11,455	Camp IV: 20,697
Camp V: 91,361	Camp VI: 10,148
Camp VII: 13,129	Total: 105,234.

The entire Bhutanese Refugee Education Programme (BREP) is managed by CARITAS Nepal in all seven camps with the help of the Jesuit Refugee Service (JRS), a few nationals and volunteer participation of 1200 Refugees at the school level, as teaching and non-teaching staff, a total of about 1250. Among the office staff there are only five expatriates and nine nationals, while 30 are refugees. In 1998, this programme was formalised and regularised by the Ministry of Education, His Majesty's Government of Nepal. Since then the students of Classes VIII and X have appeared for the Nepal Board Examinations, the former at the District Level and the latter for the School Leaving Certificate.

Classes are conducted in the Camp schools from Pre-Primary to Class X. Students of Classes XI and XII study in the local Government and private schools. In the year 2004, there were 31,314 students from Classes Pre-Primary to VIII, 5,668 students in Classes IX and X and 3,500 in Classes XI and XII. UNHCR provides funds for the Primary Section (PP-VIII) and CARITAS Nepal, through the generosity of international donors has been funding fully the Secondary (IX & X) from 1994 and, partially, the Higher Secondary (XI & XII) from 1998.

BREP is also known for its endeavours for Inclusive Education. More than 675 children with various disabilities follow the formal education system. Special Needs Support Teachers accompany these children



with the aid of “Plus Curriculum”. This helps the disabled children to integrate with the larger student body.

The major credit for the success of BREP goes to the refugee staff and students and the refugee community. It is the commitment, determination and self-sacrifice of the refugee staff that has made quality education possible. Another factor is high motivation among the refugee community and students. There has been high enrolment of all refugee children for pre-primary class for the past six years. The joyful voluntary service provided by the community for construction and repair of the schools in the camps and the collaboration and co-operation given by the school staff and students are proof of community participation and animation.

No one had ever dreamt that the Bhutanese Refugee issue would elude a lasting solution all these years. In the mean time, the student population has increased. Both UNHCR and CARITAS have been facing financial constraints to sustain the education programme. The paucity of funds available makes it difficult to meet the basic requirements for quality education. Other service sectors face similar difficulties.

The breakdown of bilateral talks between the governments of Nepal and Bhutan at the end of 2003 has caused an atmosphere of hopelessness and gloominess, prevalent everywhere in the camp. To make matters worse UNHCR proposed “phasing out” and budgetary cuts from 2004, citing donor fatigue. This will bring further hardships to the refugees as the supply of materials for roofs, fuel for cooking and medical and educational assistance will be reduced.

The latter part of 2004 did bring some hope for the refugees because of the interest shown by the US government and European Commission to encourage both Nepal and Bhutan to resume the repatriation process. However, this interest was washed away by the *tsunami* crisis. The continued political unrest, frequent change of government and, now, the emergency rule in the country has contributed further to burying deeper the refugee cause.

As long as the UNHCR was allocating sufficient funds to carry on the various services, there was satisfaction and happiness everywhere. The UNHCR's decision not to increase the overall budget for the Bhutanese refugees from 2004 has caused the quality of essential services to deteriorate considerably. This in turn has made the services of the IPs more difficult.

Refugee leadership too has gone into limbo. From every point of view the refugees are like sheep without a shepherd. There is darkness everywhere and no light is visible for a durable solution to the problem.

The prolonged stay of the refugees in the camps has begun to show adverse consequences in every sector of life. Refugee huts and their surroundings have a dilapidated look. The sanitary set-up meant for a few years is now crumbling. The numbers of those who are terminally or chronically ill are on the increase and adequate medical attention is lacking. The recent announcement from UNHCR, that there is going to be a cut in the materials to repair huts, will bring more misery for the refugees as the heavy monsoon approaches. The long stay in the camp and leaking huts will mean greater suffering and illness for these helpless people.

This prolonged stay has had an immensely negative impact on the youth. During the past years, more than 8,000 students have passed Class X and 600 Class XII examinations. These youths have no means for studying further, nor do they have an opportunity for productive employment, as the Nepal law does not permit refugees to work outside the camp. A bleak future stares at them - a frightening reality indeed. This has resulted in frustration and its effects are very much alive in their many anti-social activities both within and outside the camps. The negative influences of these senior students are felt considerably in the Camp schools. This is clear from the waning interest in students for serious work, an increase in indiscipline and a lack of respect for lawful authority.

If this situation continues indefinitely, one should not be surprised if some of these youth find their way to the insurgent groups which are very active in this region.

Our main concerns are therefore, firstly, an early and comprehensive solution to the refugee problem by the active involvement of all stakeholders. And, secondly, the UNHCR and donor countries should continue the basic humanitarian assistance to the Refugees until a viable solution to the problem is found rather than inflict more hardship on the already frustrated refugees by reducing the minimum help they have been receiving in the past. ■

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## New Delhi Summit raises prospect for peace in Kashmir

by John Cushnahan

Following their mini summit in April in Delhi, Indian Prime Minister Manmohan Singh and Pakistan President Pervez Musharraf stated that the peace *detente* between the two rival powers was irreversible.

It was appropriate therefore that, following the summit, which took place on 17<sup>th</sup> April, President Musharraf made a courtesy call on the former Prime Minister of India, Atal Behari Vajpayee. It was Mr Vajpayee who was responsible for launching the path to peace exactly two years previously. Tensions ran high following the attack on India's Parliament, the Lok Sabha, in December 2001, resulting in a dramatic build-up of troops along the India-Pakistan border and exchanges of fire raised fears of a major conflict between these nuclear rivals.

However, in April 2003, Mr Vajpayee offered the "hand of friendship" to Pakistan in a ground-breaking address when he was visiting Indian-administered Kashmir in which he said that dialogue provided the only means of resolving the long-running dispute over Kashmir. President Musharraf reciprocated the courage of his Indian counterpart by announcing a unilateral ceasefire along the Line of Control in November 2003.

A watershed had occurred in the troubled relationship between the two countries and they embarked on a peace process. Thankfully it suffered no collateral damage when a change in government followed India's 2004 general election. Inadequate preparation had contributed to the failure of the Agra Summit of 2001. It was therefore no surprise that the Delhi dialogue was preceded by careful choreography and intense diplomatic negotiations.

These careful preparations resulted in a Joint Statement being signed by the Pakistan and Indian leaders on Monday 18<sup>th</sup> April, committing their respective countries to strengthening and increasing trade and transport links between them, especially in divided Kashmir. They also agreed to re-open consulates in Mumbai and Karachi by the end of 2005.

### Summary of main points of the Agreement

Both parties agreed to:

- (1) Establish a joint business council to improve trade
- (2) Initiate a rail link between the Indian State of Rajasthan and the Pakistan province of Sindh by the beginning of 2006

(3) Increase the frequency of the Srinigar-Muzaffarabad bus service.

(4) Permit trucks to use the Srinigar- Muzaffarabad route for the promotion of trade

(5) Create a new bus link between Poonch in Indian-administered Kashmir and Rawalakot in Pakistan-administered Kashmir and also between Amritsar and Lahore

(6) Re-open consulates in Mumbai and Karachi by the end of 2005

The Agreement represents significant progress and builds upon the launch of the Srinigar-Muzaffarabad bus service, which began on 7<sup>th</sup> April. The latter initiative was both symbolic and emotional for many Kashmiris. However it has been criticised by Pakistani militants as undermining "the liberation struggle against foreign occupation". They believe the current dialogue re-enforces the *status quo* to the benefit of India.

On the positive side, Pakistan's fundamentalist Islamic parties have not, at least openly, criticised the ongoing dialogue and in India the BJP is supportive of its government's handling of a peace process which it initiated. Additionally, according to Indian government sources cross-border infiltration has reduced although the level of violence within the Valley remains high. It would therefore seem that there is some justification for saying "so far so good".

Nonetheless, while the road between both parts of divided Kashmir may now be open, the road to a lasting settlement of the Kashmir dispute will be a long, arduous and rocky one with many pitfalls awaiting those travelling along it. Despite the risks, if real progress is to be achieved, India and Pakistan have to increase the momentum and substance of their dialogue. To do otherwise leaves them open to the charge of cosmetic diplomacy. Additionally, any apparent reluctance on the Indian side will be used by Pakistani critics as evidence that India is merely bolstering the *status quo*. Several key issues need to be addressed and not least of all how to involve the Kashmiri people and their representatives.

During our visit to Kashmir, the European Parliament Delegation became only too painfully aware of the sense of impotence, alienation and frustration felt by Kashmiris because of their exclusion from the dialogue. This fed fears that a solution could be imposed upon them. A means must be found to establish a fully inclusive dialogue. In attempting to achieve this, it has to be recognised that in both parts of Kashmir there are currently no political parties able to represent the whole population.

A number of factors contribute to this situation. Provisions in Pakistan-administered Kashmir prevent those who espouse independence from standing for



election. Additionally, intimidation of moderate leaders by militant groups and self-proclamation of political leaders exacerbate the situation also. Overcoming this is not impossible but no matter how difficult it must be tackled.

If a resolution of the Kashmir problem is to be found, it must involve the people of Kashmir for both moral and political reasons. They are the stakeholders in the land and they have suffered the most because of the continuing conflict. Furthermore, if meaningful progress is to be made in any subsequent negotiations, an atmosphere free of intimidation and violence must be established. One cannot solve a political problem through military measures alone. The cycle of violence must be broken. Continued human rights abuses are a fertile feeding ground for militancy and an offer of demilitarisation in response to a cessation of hostilities by militant groups could be used as a carrot to kick-start real negotiations.

However even if all these conditions were to be established, many of the so-called options on the table are mutually contradictory. What would be required to break the log-jam is the introduction of imaginative thinking to create a framework on which a solution could be based. This is where the European Union could have a role to play. While one can understand India's reluctance to consider any form of mediation or direct involvement from third parties, it has to be stated that there is a fundamental difference between outside interference and 'no strings' attached assistance.

The European Union has unique and successful experience of conflict resolution both between countries and within divided countries inside its borders. It has demonstrated its ability to find solutions that transcend conflict and establish structures creating peace and prosperity that have stood the test of time. India and Pakistan should seek to learn from the European experience. ■

John Cushnahan was leader of the European Parliament delegation to Kashmir which visited Pakistan-administered Kashmir in December 2003. Arriving within days of the ceasefire announced by President Musharraf, the delegation were the first civilians to visit the Line of Control in eight years. They had travelled to Chakothi in a Pakistan military helicopter.

The Parliament delegation visited Indian-administered Kashmir in June 2004 and finalised a Report which was submitted to the Foreign Affairs Committee of the European Parliament. John Cushnahan is a former MEP and wrote the draft Report on the EU-Pakistan Co-operation Agreement.

## Textiles: Rising Asia - Whither Europe?

by Malcolm Subhan

The Yellow Peril is alive and well and stalking many European Union countries. Otherwise how one explain the sound and fury which China's clothing and textile exports have generated in such industrially advanced countries as France and Italy? European textile and clothing manufacturers, and their political allies, seem to have forgotten that their industries have had more than 40 years in which to prepare for what is now being denounced as a tidal wave of cheap Chinese exports. The first steps to curb imports of cheap textiles from Asia were taken in the early 1960s, with the imposition on developing countries of the Long-Term Arrangement (LTA) on cotton textiles. The LTA was extended a decade later to cover all textile and clothing exports, under the Multi-fibre Agreement (MFA), despite the assurances which these countries had been given when the LTA was adopted.

European industry was granted yet another breathing space in 1994, with the adoption of the Uruguay Round Agreement on Textiles and Clothing (ATC). The ATC allowed the EU and the USA in particular an opportunity to liberalise imports of textiles and clothing from developing countries in four stages, spread out over a 10-year period. Under pressure from the European industry, the EU deliberately violated the spirit of the ATC by waiting until 31<sup>st</sup> December 2004 to liberalise most of the items of textiles and clothing considered "highly sensitive" by the industry.

There was yet another attempt by the EU to shield its textiles and clothing industry from imports from developing countries, an attempt which is seldom referred to because it was made in the framework of its development policy. In the early 1970's, the then 6-nation European Economic Community led the way in implementing the Generalised System of Preferences (GSP), as recommended by the second United Nations Conference on Trade and Development (UNCTAD), held in New Delhi in 1968. "Generalised" meant across-the-board, but the EEC chose to interpret the term in its own way – selectively. Unlike the US, the EEC included textiles and clothing in its GSP scheme; but it divided all manufactured products into three categories – non-sensitive, semi-sensitive and sensitive – of which only the first was entitled to duty-free entry.

Needless to say, the EEC decided that products of particular export interest to developing countries in general, and items of textiles and clothing in particular, were "sensitive" and both were denied duty-free entry and made subject to quotas. Successive revisions of the GSP have continued this classification, now limited to



non-sensitive and sensitive. The latest of these revisions has been held up because no fewer than 13 EU countries, led by France, want to deny India's textiles and clothing exports GSP benefits. Chinese textiles and clothing are already excluded, given that China is by far the GSP's largest beneficiary. Meanwhile, least developed countries, like Bangladesh, have been granted duty-free and quota-free access for all their products under the so-called "Everything but Arms" initiative devised by the former Trade Commissioner, Pascal Lamy, provided they can meet the stringent rules of origin.

Given that most of the products which the EU labelled "sensitive" were in fact such run-of-the-mill items as cotton yarn, unbleached cotton fabrics, T-shirts, trousers and dresses, some developing countries argued that the textile and clothing industries were sunset industries for highly industrialised countries and should therefore be left to developing countries. When this point was put to Etienne Davignon, as European Commissioner for Industry and Research in the late 1970s, he rejected it outright. Modern technology was going to transform Europe's textile and clothing industries into sunrise industries, able to compete successfully against Asian producers because they were now in a very different league from them.

Which is also the conclusion reached by the High Level Group for Textiles and Clothing. It claimed that "the most appropriate strategic vision for the future of the EU textiles and clothing sector should focus on the current competitive advantages of the European industry". The Group associated these advantages with "continuous progress in the areas of research, innovation and training" and, to this end, it urged the European Commission to "react positively to the proposal to consider setting up a European Technology Platform".

The Brussels-based European Apparel and Textile Organisation, Euratex, described the technology platform as built on three main pillars: Firstly, a move from commodity fibres, filaments and fabrics towards speciality products from flexible, high-tech processes; secondly, the establishment and expansion of textiles as the raw material of choice in many industrial sectors and new application fields; and, thirdly, ending the era of mass manufacture of textile products and moving towards a new paradigm of customisation, personalisation, intelligent production, logistics and distribution.

The future for the European industry lies, in other words, in technologies for "the functionalisation of fibre and textile surfaces", including coatings, micro-encapsulations, enzyme, plasma and ultraviolet treatments and nano-technologies. These knowledge-based products can be counted on to "escape fierce commodity price competition," Euratex has pointed

out. The future is also technical textiles, where the competition comes not so much from low-cost textile producers in Asia but from manufacturers of comparable products and components made of metal, plastics, wood, *et cetera*. And, finally, customised and personalised textile-based consumer products and fashion clothing are the answer to mass-produced textiles and clothing, whose era is coming to an end in the developed world, according to Euratex.

All well and good, except that the High Level Group, which included European Commissioners, government representatives, European trade associations and trade unions, was set up in early 2004. And, despite its emphasis on the need to "focus on the current competitive advantages of the European industry", the Group's recommendations, made in mid-2004, included a call "for a monitoring system on Chinese imports to be established". As for the Euratex proposals for a European technology platform, they are contained in a paper published at the end of 2004 and sub-titled "A vision for 2020."

The sober truth is that the High Level Group and Euratex are at least 20 years too late with their recommendations. The shift to knowledge-based products should have begun in the early 1980's, when China was still a small cloud on the horizon. As recently as 1990, China's textile and clothing exports to the 15-nation EU came to under €3bn, although this had risen to €16bn by 2004. One reason for this rise was given very recently by the Beijing correspondent of the French publication, "*Le Point*." She recounted how Mr Chen, the manager of a textile factory set up in the 1950s in a small town in Shaanxi province, was ordered by the government in 1995 to modernise his factory, in preparation for the disappearance of all MFA-type quotas in 2005.

China's experience with modernisation is in sharp contrast to the EU's. After all, the nine Chinese exports which France and Italy want restricted by quotas are all low-tech. They include such mass consumption items as T-shirts, pullovers, blouses, stockings and bras as well as flax yarn and fabrics! But China has not only been modernising its textiles and clothing industries; it has also embarked on the production of a wide range of electronic and other manufactured products, including computers and motor vehicles, in many cases with help from European and American companies. As a result, Chinese textile and clothing exports accounted for just 13% of the country's total exports to the EU in 2004.

The plain truth is that the European clothing industry in particular is holding the EU to ransom. Having failed to modernise in time, it is using its political muscle to pressure the EU into returning to a quota system. What is at stake for Europe is much more than the future of its clothing industry (its textile industry is doing well, even against Asian competition, thanks in part to its



move into technical fabrics). The point was made most forcefully by the new Trade Commissioner, Peter Mandelson, in his keynote address to the World Economic Forum (WEF) Asia Forum in Singapore on 29<sup>th</sup> April.

In a speech aimed at Europeans even more than his Asian audience, Peter Mandelson noted that “the astonishing economic growth in ASEAN and China and India cannot fail to make a profound impression”. But he maintained that “the far greater danger for the future is not the rise of Asia but the introspection and fearfulness of Europe”. And he went on to make “three big points”. The first is the need for Europe “to build a stronger, more dynamic relationship, both with the countries of Asia individually but also with the Asian region”. A stronger “Euro-Asian space” is not only desirable in itself but also meets “a demand for ‘more Europe’ I have heard with heartening clarity from many of my Asian interlocutors”.

Peter Mandelson’s second point is that such a partnership will present EU member states with “a formidable political challenge”, for it “will require Europe to be welcoming of economic change, to be innovative and open” – in short, “to adjust to changing world economic balances brought about by Asia’s rise”. Hence his third point – “the need to work together to create new economic and trade opportunities within a rules-based economic system”. This is to be done through the WTO as well as through bilateral and inter-regional trade agreements. The Trade Commissioner noted that the EU and ASEAN will be setting up a political level “vision group” to assess the feasibility of an EU-ASEAN free trade agreement, although he warned against “the obvious risk that these regional efforts detract from multilateral trade liberalisation and the multiple benefits this offers”.

Will the EU’s economic and political leaders follow Peter Mandelson’s road map or will some of them resist him tooth-and-nail? After all, the EU will find itself competing head-to-head with the United States in Asia. The EU textile and clothing industry, for its part, will have to resist the complacency shown by Euratex, in its claims that “unlike certain industries in Europe, the textile and clothing industry is a world leader in technology usage, process and product innovation, including fashion creation and other ‘non-technological’ innovation activities”. What the rise and rise of China as an industrial power and of India as a leader in information technology have clearly demonstrated is that, no country, however advanced, has a monopoly on knowledge-based economic activities. Even the world predominance currently enjoyed by the European fashion industry is under threat from Asian designers. Which is what you would expect in a global economy. ■

## Appointment of new Editor of EurAsia Bulletin

On behalf of our Institute’s Administrative Board, I should like to offer my congratulations to John Quigley on his recent appointment as Editor of *EurAsia Bulletin*. John Quigley first came to the Institute in December 1999 as my Assistant, when I was editing the publication. He continued this work under the editorship of my friend and colleague, Malcolm Subhan, who is currently one of the Vice-Chairmen of the Institute. Since June 2004, John has taken over the responsibility of Acting Editor and it was in recognition of the quality of his work that the Administrative Board was happy, unanimously, to confirm him as the new Editor.

Dick Gupwell  
Secretary General

### ***Statement from the Editor***

*EurAsia Bulletin* was founded by Dick Gupwell to bring to European readers news and analysis about Asia and to highlight to Asians, both in Europe and at home, the growing importance of Europe. I wish to thank Dick and his successor, Malcolm Subhan, for the seminal work they achieved and pledge to continue and build upon this legacy.

Under my Editorship, *EurAsia Bulletin* stands for respect for a rule-based international order that has at its core respect for human rights - rights in the broadest sense encompassing civil, political, cultural and religious relations (with a good smattering of tolerance), as defined by the United Nations while recognising the value of European ideals including, not least, the benefits of peaceful integration and mutual respect that has guided the EU since the foundation of the European project.

With rights come responsibilities and it is the responsibility of us all to promote these values everywhere. *EurAsia Bulletin* stands as a forum for dialogue between peoples, countries, regions and continents, ideas and values and will measure its success in raising ideas and offering new perceptions to familiar problems. As Editor, I encourage readers to contact EIAS to offer your insights, as it is through the process of dialogue that we can both learn from and begin to understand more fully one another.

John Quigley  
Editor, *EurAsia Bulletin*



## UNCHR - End of the line?

by John Quigley

United Nations Secretary General, Kofi Annan, has lambasted the work of the UN Commission on Human Rights (UNCHR) questioning its credibility and professionalism. The work of the UNCHR has become increasingly discredited as the body is slowly strangled by a seemingly increasingly desperate band of members, observing international covenants more in the breach than by upholding universal principles of human rights. The work of the Commission has increasingly reflected a North-South divide, with the EU and the United States increasingly outvoted by non-democratic States and out-manoeuvred in the tabling of resolutions criticising human rights violations.

The CHR is increasingly a club of authoritarian and monarchical regimes bizarrely at odds with its mandate. The Commission suffers from having absolutely no criteria for membership nor any sanction for a member that decides to dispense with international law and commit violations, even on a massive scale. From Asia, Bhutan, China, India, Indonesia, Japan, Malaysia, Nepal, Pakistan, South Korea and Sri Lanka currently sit on the Commission. A sample of other members include Zimbabwe, Cuba, Congo, Nigeria, Saudi Arabia and Swaziland. Eight EU Member States have seats.

It is against this background that Kofi Annan has published a proposal to abolish the Commission and replace it with a new Council on Human Rights. The proposal was contained in his report "In larger freedom: towards development, security and human rights for all", published on 21<sup>st</sup> March. Annan provided further details in a speech to the Commission itself, on 7<sup>th</sup> April. Saying that the time for declarations on human rights is over and that the time for implementation has come, Annan suggests that the Council would have the same status in the UN as the current Security Council or the Economic and Social Council. While the details are being discussed at the UN General Assembly, Annan has indicated that the Council would have less than 53 members and that members would have to be elected by two-thirds vote in the General Assembly. Other conditions he suggests include that those elected "should have a solid record of commitment to human rights" although it is not clear how this would be measured. The new Council would meet at will rather than for six weeks a year.

Although Annan's proposal is to be welcomed, the EU should insist on further reforms and demand that clear membership criteria are established. Otherwise, the new Council would equally slowly slide into the "politicisation of its sessions and the selectivity of its

work" that has marred the work of the existing Commission. The proceedings of the 61<sup>st</sup> Session of the Commission, which met in Geneva between 14<sup>th</sup> March to 22<sup>nd</sup> April, were not very much different from previous years. In general, the EU could rely on Japan (except on the death penalty) and South Korea to co-sponsor draft Resolutions. Resolutions including "Co-operation with representatives of the UN human rights bodies", "Arbitrary detention", "Enforced or involuntary disappearances", "Elimination of violence against women" and on "Burma" that the Western Europe group sponsored or co-sponsored, proved largely uncontroversial and were adopted without a vote. Draft Resolutions including on "Sudan", Cuba" and "North Korea" saw most Asian group members voting against Western Europe proposals with, for example, China, Indonesia, Japan, Malaysia and Pakistan voting against a Resolution, adopted on 20<sup>th</sup> April, condemning the use of the death penalty (India and Sri Lanka abstained).

The Session did not go all the way of the European grouping. Draft Resolutions sponsored, *inter alia*, by Pakistan and Thailand on "Globalisation and its impact on the full enjoyment of human rights", by Bangladesh, China, North Korea, Indonesia, Malaysia, Pakistan and Vietnam on the "Effects of economic reform and foreign debt on the full enjoyment of human rights" were adopted despite the Western group and Japan and South Korea voting against. The Asian, Africa and European groups voted together to adopt a Resolution on the "Right to food" with only the United States voting against. This may be what the Luxembourg Presidency of the European Council means by an "overall satisfactory" result to the 61<sup>st</sup> Session, in a statement on 22<sup>nd</sup> April. Speaking at the close of the Session, newly appointed UN High Commissioner for Human Rights, Louise Arbour, was more pointed. The UN CHR is faced with "major deficiencies and over politicisation", she said, adding that the Commission's ability to address human rights concerns was "demonstrably deficient".

The small list of Resolutions mentioned above demonstrates the broad scope of the interests of the Commission and the selective reviews of only certain countries. Therein may be the problem. By focussing on too many thematic issues and not enough on individual countries, the UN proves unable to deliver results causing much of the same topics to re-surface year after year. While neither the EU, nor its partners in Asia, want the new Council to a club of Northern nations telling the South what to do, in order to make a difference either in the practice of human rights or chasing the violators, membership of the new Council must be based on clear and principled criteria. This might help ensure that some of the worst excesses of the current Commission are not repeated, should Annan's proposal be adopted by the UN General Assembly. ■

## **Asylum and Immigration, Justice and Home Affairs**

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### *International Criminal Court*

EU Foreign Ministers, meeting in Luxembourg on 25<sup>th</sup> April, adopted a Decision authorising the Presidency of the European Council, with the High Representative for CFSP, Javier Solana, and the European Commission to negotiate an Agreement on Co-operation between the EU and the International Criminal Court (ICC). Although details of a possible Agreement are not available, it might be expected that the Agreement would regulate the legal relationship between the Court and EU Member States and the European Union, determine the commitment of EU funds to the Court, initiating programmes to support rule of law in developing countries and address issues relating to the secondment of personnel. The Commissioner for External Relations, Ms Benita Ferrero-Waldner said that the Court had a vital role to play in prosecuting war crimes, crimes against humanity and tackling genocide. The relationship between the EU and the ICC is part of Europe's "commitment to promoting a rule-based international order". Speaking on 14<sup>th</sup> April, the Commissioner lamented the low number of Asian and Arab countries that have signed up to the ICC Rome Statute saying no international institution could claim to be universal without the participation of "countries like China, Russia, Japan, India or Turkey".

### *Migration Information Network*

On 16<sup>th</sup> March, the Council adopted a Council Decision establishing a secure web-based Information and Co-ordination Network for Member States' Migration Management Services. EU Foreign Ministers suggested that the Network would serve to combat illegal immigration and trafficking in human beings. The Network will use a web-site, managed by the European Commission, to exchange information between national authorities on migration flows including irregular migration, illegal entry, immigration and the return of illegal migrants. Entry to the web-site will be restricted and the information provided will be subject to the EU Charter of Fundamental Rights. The Network was originally foreseen under the EU Action Plan to Combat Illegal Immigration and Trafficking, adopted by the Council in February 2002.

## **Political Relations**

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### *Annual Report on Human Rights*

The European Parliament adopted a lengthy Resolution, on 28<sup>th</sup> April, on "Human rights in the world and the EU's policy". This follows the report

prepared under the own-initiative procedure, by Simon Coveney (IRL-PPE-ED) in the Foreign Affairs Committee.

The Resolution runs to 95 pages and covers all regions of the world and various aspects of EU policy, by country and also by thematic issues. With regard to Asia, *inter alia*, the Resolution notes the election process in Afghanistan and the creation of a Human Rights Commission; the EU should monitor the practices of stoning, execution of minors and amputations in Iran; state that human rights concerns should not be ignored in Pakistan despite its key role in counter terrorism; urges India to promote social change to tackle caste discrimination; suggests that Bangladesh should stop using legal instruments to detain opposition political figures; calls on Cambodia to start genuine democratic reforms; that Burma should stop suppressing legitimate and democratic political activities; that an improving EU-China trade relationship should be linked to human rights reforms; expresses concern at report of government forces committing abuses in Papua and Aceh and, lastly, condemns the seizure of power in Nepal.

### *EU-Pakistan Troika*

In Luxembourg, on 27<sup>th</sup> April, the EU and Pakistan held a one-day troika meeting of President in Office of EU Foreign Ministers, Mr Jean Asselborn, his counterpart, Mr Khurshid Kasuri, the Commissioner for External Relations, Ms Benita Ferrero-Waldner, and the High Representative for CFSP, Javier Solana. Among the issues discussed included a range of domestic, regional and multilateral questions. The Commission proposed increasing EU aid to Pakistan four-fold, from the current level of €15m per annum between 2002-06 totalling €75m to €60 per annum between 2007-13, which coincides with the new financial perspective. This would bring to the fore the capacity of the government in Pakistan to plan and implement this higher level of assistance.

The Commission proposes sending a mission to Islamabad in July 2005 to discuss how the aid could be spent in two sectors, education and regional development. It is not clear what level of support this proposal received from the Luxembourg Presidency, although the European Parliament is likely to be in favour. The Luxembourg Foreign Minister, who chairs the EU External Relations Council, said the EU supports President Musharraf's policy of "enlightened moderation". Musharraf announced the policy in June 2004, which calls for Muslims to shun militancy, adopt plans for socio-economic growth with Western assistance if necessary and to encourage the West to resolve political disputes with Muslims with justice. Jean Asselborn said the EU looked forward to further democratisation in Pakistan.



### *Burma Day*

On 5<sup>th</sup> April, the European Commission convened a meeting in Brussels to present and discuss a report on Burma prepared by Professor Robert Taylor and Morten Pedersen. Entitled “Challenges and opportunities: Providing assistance to people in Burma” the report recommends that the EU re-consider its current policy of not engaging the military junta, in order to improve the provision of development aid and to revise the current system of sanctions. At the meeting, a range of international development NGO’s and representatives of multilateral institutions presented case studies of activities currently underway in Burma including development co-operation programmes. At the moment, according to the Common Foreign and Security Policy (CFSP) Common Position on Burma, development co-operation aid is suspended. The report suggests re-interpreting the EU position to allow for development spending and to promote direct policy dialogue with the government in areas including small-scale agriculture, basic education and community development. The report outlines twelve possible actions the EU might undertake to build links with the junta including calling Burma by the junta-inspired name of Myanmar but does not suggest what actions the junta should undertake to warrant such an about-face in EU policy. The report and the Burma Day meeting will provide input to the Commission services who are in the process of preparing a Country Strategy paper for Burma. Subsequently, on 25<sup>th</sup> April, EU Foreign Ministers voted to extend the Common Position, including the sanctions, for another year, until April 2006.

### *Human rights in China*

In a Declaration adopted on 23<sup>rd</sup> March, the Luxembourg Presidency of the European Council welcomed the release from prison of Ms Rebiya Kadeer, an activist from the Xinjiang Uighur Autonomous Region. Amnesty International had called her a prisoner of conscience. Her release comes after the Chinese authorities reduced her eight year sentence, imposed in 2000 for “providing secret information” by one year in 2004. In the United States, Adam Ereli, Deputy Spokesman, Department of State, said on 17<sup>th</sup> March that the release was part of a series of “positive, noteworthy steps, while at the same time, serious concerns and systemic issues remain that we will continue to be engaged on”. The EU Presidency Declaration also expressed concern at the situation in Xinjiang in terms of respect for religious and cultural rights. Ahead of the UN Commission on Human Rights meeting in Geneva, China made a series of gestures on human rights including the release of Ms Kadeer and promising to allow the opening of an office in Beijing for the International Red Cross. As the case of Ms Kadeer had been raised by both the EU and the US

over several years, it could be suggested that China may have been trying to pre-empt EU and US resolutions that would be critical of Beijing’s human rights record.

### *ITER*

Several fundamental issues regarding the International Thermonuclear Experimental Reactor (ITER) may well be decided in the coming months, after several years of delay. On 22<sup>nd</sup> March, the European Council, chaired by Luxembourg, discussed the issue and tasked the European Commission, which co-ordinates EU involvement, both to try to conclude an International Agreement launching ITER by July and to seek to begin building the reactor before the end of 2005. The question over whether the Reactor should be built in Europe or Japan remains unresolved. The issue was raised by Commissioner for Research, Mr Janez Potocnik, when he visited the Japanese Minister for Science and Technology, Mr Nariaki Nakayama, on 12<sup>th</sup> April. ITER involves the EU, Japan, China, South Korea, Russia and the United States in a project to make fusion energy. Once the construction phase ends in 2016, the reactor would become operational but would not be expected to produce energy on a commercial basis before 2050. One element of the Agreement would be to divide up the cost of the project between the partners based on which country will actually host the reactor site. ITER is on the agenda for the EU-Japan Summit, which will take place in Luxembourg on 2<sup>nd</sup> May.

### *China-Taiwan relations*

On 18<sup>th</sup> March, the Luxembourg Presidency of the European Council adopted a Declaration on China’s ‘anti-secession’ law. The law, adopted by the National People’s Congress, gives China the right to take military measures against Taiwan should the island, in Beijing’s view, take steps towards independence. In the Declaration, the EU reaffirms its policy of one-China but says that the only way to maintain stability in the Taiwan Straits is through peaceful resolution of disputes. Both sides should not take any “unilateral action which might rekindle tensions” but the Declaration only condemns the law in terms related to the recent signs of reconciliation, the direct flights for the Chinese New Year. The “Taiwan question” can only be resolved through “constructive dialogue and the pursuit of concrete progress”.

### **Trade Relations**

#### *Ring binders from China, Laos*

The European Commission adopted a Commission Regulation, on 12<sup>th</sup> April, launching an investigation into the possible circumvention of anti-dumping measures imposed by a 2004 Regulation on imports of



ring binder mechanisms originating in the people's Republic of China and mechanisms consigned from the Lao People's Democratic Republic. A European manufacturer, in February, asked the Commission to launch an investigation into imports of ring binder mechanisms from Laos believing that such imports may be circumventing anti-dumping duties imposed, in December 2004, on imports from China. The request suggests that at the same time as exports to the EU from China decreased, exports from Laos have increased. The mechanisms continue to be produced in China but are trans-shipped to the EU through Laos. Agreeing to launch the investigation, the Commission has directed EU customs authorities, for a period of nine months, to register all imports of ring binder mechanisms from the two countries. This data could be used in the future to levy duties according to volume and price. The Commission will seek information from Lao and Chinese producers and the government authorities to help determine whether dumping is taking place. Lao and Chinese producers have 15 days to request a questionnaire from the Commission and 40 days to submit any information.

#### *India-Pakistan transport links*

The EU High Representative for Common Foreign and Security Policy (CFS), Javier Solana, issued a statement, on 7<sup>th</sup> April, welcoming the inauguration of the Srinagar-Muzaffarabad bus service, which took place on the same day. The bus passed over the Line of Control, a boundary separating Indian and Pakistani parts of Kashmir. In February, both governments agreed to launch the service as part of a people-to-people contact initiative. Subsequently, on 18<sup>th</sup> April in a Joint Statement, the President of Pakistan, Pervez Musharraf, and the Prime Minister of India, Manmohan Singh, agreed to increase the frequency of the bus service and to extend the number of routes including Poonch to Rawalakot, Amritsar to Lahore and Khokhrapar to Munnabao. Apart from passenger services, the routes would also be open to commercial traffic. Both leaders said that despite the terrorist attacks on the bus, the service would continue and that, as a symbol of the growing links between India and Pakistan, the peace process "was not irreversible".

#### *Hungary-Indonesia relations*

As one of the 10 new Member States from Central and Eastern Europe that joined the EU in May 2004, Hungary has concluded an Agreement on Economic Co-operation with Indonesia. On 21<sup>st</sup> March, the government of Hungary notified the European Commission and Council of Ministers of its intention to sign the bilateral Agreement during 2005. The Agreement would cover economic, industrial, technical and technological co-operation in a broad range of sectors including, *inter alia*, energy, information technology, transport, electronics, agriculture, the

environment, bio-technology, tourism, chemicals and mining. The Agreement would establish a Joint Commission to oversee the sectoral co-operation by holding discussions on bilateral economic relations, identifying new sectors and suggesting improvements for relations between Hungarian and Indonesian commercial companies. The Joint Commission would also hear disputes arising from application of the Agreement or its interpretation. The initial life-span of the Agreement is set at 5 years.

#### *Rules of origin*

The European Commission adopted a Communication, on 16<sup>th</sup> March, on "Rules of origin in preferential trade agreements: Orientations for the future". The Commission is proposing amending the rules of origin, which govern the entry of goods from developing countries into the EU at preferential duty rates, to take account of changes to the Generalised System of Preferences (GSP) being proposed for the period 2006-15. The introduction of the new GSP was brought forward to 1<sup>st</sup> April 2005 to offer trade incentives to *tsunami*-affected countries.

#### *Electronic weighing scales from China*

On 15<sup>th</sup> March, the European Commission adopted a proposal for a Council Regulation amending Council Regulation EC/2605/2000 imposing definitive anti-dumping duties on imports of certain electronic weighing scales (REWS) originating in, *inter alia*, the People's Republic of China. The 2000 Regulation also imposed duties on imports from Taiwan and the Republic of Korea. In August 2004, the Commission, in response to a request from two Chinese exporters, launched a review of the duties applicable to Shanghai Excell M&E Enterprise Co. and Shanghai Adeptech Precision Co. Both companies claimed that they had not exported to the EU during the period described in the 2000 Regulation and that, in any event, it was not related to the other companies subject to EU duties. The review covered the period July 2003 to June 2004.

The investigation showed that the two companies qualified for new exporter status. The Commission then examined whether the companies met market economy conditions, generally, whether business decisions are made in response to market signals and whether costs reflect market values. This demonstrated significant levels of State interference and improper accounting procedures. However, the two companies could be granted individual treatment. The comparison between the normal value price as determined from similar exporting producers from Indonesia with the exporting price of the Chinese producers showed that dumping of REWS was occurring in the EU. For both companies the draft Regulation proposes an anti-dumping duty of 52.6% compared to the 30.7% imposed by the 2000 Regulation. Once adopted, the



draft Regulation would impose the higher duty from August 2004.

#### *External aviation policy*

On 11<sup>th</sup> March, the European Commission adopted a Communication on “Developing the agenda for the Community’s external aviation policy”. The Communication sets out the increased power of the EU to act on behalf of the Member States in the field of external aviation, following the November 2002 ‘open skies’ judgement of the European Court of Justice. The Court ruled that bilateral agreements between countries granting preferential rights to the national flag airline were illegal under the EU Single Market. The growing power of the EU to act in common means that an estimated 2000 bilateral agreements between Member States themselves and with third countries will have to be amended.

#### *EU-China aviation policy*

Also on 11<sup>th</sup> March, the European Commission adopted a Communication on “A Community civil aviation policy towards the People’s Republic of China - strengthening co-operation and opening markets”. Following the 2002 European Court judgement mentioned above, the Council of Ministers granted the Commission a mandate to negotiate with third countries to amend bilateral agreements in the aviation sector to grant third country airlines equal rights to EU airlines, under the terms of the Single Market. This Communication proposes that the Commission be granted the authority to negotiate, on behalf of the EU, an Open Aviation Agreement with China. This proposed Agreement would replace the fragmented approach of individual EU Member States dealing with China and trying to amend individual bilateral agreements.

#### *Avian influenza in Asia*

The European Commission adopted a Commission Decision, on 8<sup>th</sup> March, amending for the fourth time Decision EC/122/2004 concerning certain protection measures in relation to avian influenza in several Asian countries. The 2004 Decision imposed restrictions on the import to the EU of live poultry and fresh poultry meat from Cambodia, China, Indonesia, Japan, Laos, Pakistan, South Korea, Thailand and Vietnam. The restrictions were necessary to reduce the “serious threat to animal and public health” from the effects of avian influenza which included human infections in Vietnam and Thailand. The March Decision removes the restrictions imposed on South Korea and Japan following a report by the countries to the World Organisation for Animal Health declaring themselves free of avian influenza. The Decision extends the application of existing measures against the other countries until September 2005.

#### *PET from India*

The Council adopted a Council Regulation, on 7<sup>th</sup> March, terminating the partial interim review of the anti-dumping measures applicable to imports of polyethylene terephthalate (PET) film originating, *inter alia*, in India. In 2004, several EU producers of PET requested the European Commission to launch an investigation into an Indian exporter, Jindal Poly Films claiming that the company was dumping exports in the EU and targeting specific purchasers with specific prices. Under an August 2001 Regulation, Jindal Poly Films has a 0% anti-dumping duty on exports to the EU but are subject to a 1999 Regulation imposing a 7% anti-subsidy duty. In February 2004, the Commission launched the review on dumping examining the period between January to December 2003. Despite recording an increase in production capacity, the Commission rejected the claims of the EU producers and found that Jindal Poly Films was not dumping on the EU market. Equally, the review established that there was no targeting by customer, region or time period. The Council Regulation, as adopted, confirms the 0% duty on exports to the EU.

## **Security and Defence**

#### *Annual Report on CFSP*

The European Parliament adopted a Resolution, on 14<sup>th</sup> April, on the Annual Report for 2003 from the Council on the “Main aspects and basic choices of CFSP, including the financial implications”. The Resolution is based on the report prepared by the Chairman of the Committee on Foreign Affairs, Elmar Brok (D-PPE-ED). Foreign policy is one area where Parliament does not have substantive legislative power. In order to increase its powers, the Brok report suggested that instead of informing Parliament of CFSP matters after the Council has implemented its policy, the Council should consult Parliament at the start of the year on main aspects and basic choices envisaged for the future.

This idea was approved by Parliament in the Resolution and would be a radical departure from current inter-institutional practice, if implemented. The Resolution calls it a proposal to increase the democratic accountability of CFSP. This will include giving national parliaments a greater role in scrutinising European Security and Defence Policy (ESDP) issues and making the CFSP budget subject to European Parliament scrutiny.

The Resolution makes several suggestions on the nature of financing of the CFSP for 2005. To address the five threats spelled out in the European Security Strategy, terrorism, proliferation, regional conflicts, State failure and organised crime, will require “long-term external commitments” and explicit targets in the



Financial Perspectives for 2007-13. Currently, military operations undertaken within the ESDP framework are funded by national governments or subsidiary budgets. The Resolution suggests that, for the future, such operations should be funded from the EU budget, thus giving Parliament a wider role in scrutinising such expenditure.

### *European Security Strategy*

Responding to the December 2003 EU Security Strategy (EUSS) adopted by the European Council, Parliament adopted a Resolution, on 14<sup>th</sup> April, under the own-initiative procedure. The Resolution offers Parliament's approval of the strategic objectives set out in the EUSS which include tackling five main threats, building security in the EU neighbourhood and strengthening the international order through multilateralism. As these issues can not be addressed either "primarily or exclusively" through military means, the Resolution recommends that the EU deploy a range of diplomatic, economic, development, civilian and military instruments to best contribute to a more secure world. There is a sense in the Resolution that Parliament considers the scope of the EUSS to be restricted to the EU, its neighbouring countries, the Middle East and North Africa. Outside of these regions, EU action would be funnelled through multilateral institutions.

Without adequate EU funding, the goals and threats identified in the EUSS will not be met. At the moment, the effectiveness of the EUSS is said to be dependent on Member State financing, which is outside the scope of the EU budget. Where operations include a mixture of civil and military elements, the Resolution recommends that such missions be financed from the general CFSP budget. The Resolution is based upon a report prepared by Helmut Kuhne (D-PSE) for the Committee on Foreign Affairs.

## **External Assistance and Development**

### *EIB in Laos*

The European Investment Bank (EIB) adopted a Decision, on 26<sup>th</sup> April, granting US\$55m in a loan to the Lao People's Democratic Republic for the construction of a hydro-electric dam in central Laos. The Bank was originally established to provide loans inside the EU to promote integration but has, increasingly, taken on a more 'development' role, particularly in relation to its lending in Africa and, to a much lesser extent, to Asia. The EU's contribution to the EIB loan represents a small fraction of the total estimated cost of the dam, which stands at US\$1.3bn. The Asian Development Bank is providing US\$20m, the World Bank US\$20m and the *Agence Française de Développement* US\$6m.

The Lao government will use the money to finance the development, construction and operation of the dam. The EIB loan is to be repaid over thirty years, with a grace period of six years. As part of the mandate to lend to Asian countries, the EIB must demonstrate that the project would have either commercial benefit for EU companies or promote regional integration in Asia. The consortium running the dam project is made up of *Electricité de France Internationale*, the Laos government, EGCO - a private subsidiary of the State electricity company of Thailand and a joint venture of the Italian-Thai Development Public company. Construction is expected to start this year and the dam should produce electricity in November 2009. Thailand's State electricity company signed a 25 year contract to purchase electricity from the dam, receiving some 95% of the output.

### *Earthquake in Indonesia*

The Luxembourg Minister for Development Co-operation, Mr Jean-Louis Schiltz, wrote to the Foreign Minister of Indonesia, on behalf of the EU, following the earthquake which hit Indonesia on 28<sup>th</sup> March. Pledging further EU support, Mr Schiltz told Foreign Minister Dr N. Hassan Wirajuda that the region needs to develop a formal early-warning system to improve the response of authorities to crises such as earthquakes or possible *tsunamis*. At the time of the earthquake, Indonesia was able to alert authorities in Thailand, India, the Maldives, Sri Lanka and Mauritius although, according to the letter, this was done on an informal basis.

### *UN Development Summit*

In September 2005, the United Nations will convene a Summit of heads of State and government with the objective of reviewing the progress made towards meeting the eight goals set at the Millennium Summit in 2000. Progress towards meeting the targets is generally seen to be well behind schedule, as the first objectives are due to be met by 2015. The European Council, on 23<sup>rd</sup> March, adopted Presidency Conclusions on EU preparations for the UN Summit, which is to take place in New York in September. The EU expects the Summit to devise "common responses to the main development, security and human rights problems" facing the developing world. In preparing the EU position, the Council called on the European Commission, generally, to do more on the "various development components". The Council reiterated the EU's preference to support development in Africa wanting to make a "substantial contribution to the review of the Millennium Development Goals and to reinforce the EU's support for the African continent". One element of the EU's preparation will be to launch a dialogue with regional organisations and individual countries with whom the EU has "structured relations".



## *The Post-Tsunami Relief Effort*

*Signe Bruun-Jensen writes:* On 15<sup>th</sup> March, the European Institute for Asian Studies (EIAS), in collaboration with Mr Nirj Deva MEP, convened the third instalment of 'The post-Tsunami relief effort' meetings at the European Parliament. Commissioner for Development Co-operation, Mr Louis Michel, and Commissioner for External Relations, Ms Benita Ferrero-Waldner, were present to report on the EU's efforts thus far and to suggest possible future directions for EU policy.

In the transitional phase between humanitarian relief and reconstruction there is a need for effective co-ordination between donors, aid agencies and recipient countries. The World Bank, working closely with the governments of tsunami-affected countries and other agencies, has been conducting a series of needs assessments in the region that should form the basis of all reconstruction efforts. Problems associated with the large number of internally displaced persons (IDP's) remain critical. Concerns expressed include camp management, water and sanitation, the provision of temporary shelter and providing alternative solutions to destroyed livelihoods. Furthermore, countries will have to look into resettlement issues and property rights breaches associated with relocation.

Reconstruction must be managed in a timely fashion to ensure that the long-term economic impact is limited. Countries should seize the opportunity to 'build back better', that is, look at their needs today and in the future rather than reverting back to how things were. Thus, it is vital that aid flows be aligned with country priorities – donors and recipients must use each other's capacities, facilities and expertise.

Donor funds must be subject to controls and transparency. Donors must strike up a balance between efficiency and urgency and there is a question mark over the absorption capacities of some NGO's. In the short term, embassies should strive to map out the funds donated, for instance, by establishing tracking systems. In the long term, NGOs could be treated as off-budget bilateral agencies. Trust funds could be established to collect and disperse all funds.

Finally, there are the issues of access and conflict mitigation. Donors and recipients should enable a fair and equitable distribution of aid between *and* within countries so that help reaches *all* people. As the emergency phase ends, NGOs and other aid agencies are concerned that their freedom of movement within conflict areas will be restricted. Whilst the sovereignty of affected countries must be respected, donors should remain insistent that aid-worker's efforts not be restricted and should strive to facilitate the resolution of conflicts.

## *Fighting HIV/AIDS, Tuberculosis, Malaria*

The European Commission adopted a Staff Working Document, on 14<sup>th</sup> March, outlining "Principles for an EU contribution to the Global Fund to fight HIV/AIDS, Tuberculosis and Malaria (GFATM) with a view to the 2006-07 replenishment process". The Global Fund was established in 2001 to fight communicable diseases including HIV/AIDS, tuberculosis and malaria. Between 2001 and December 2004, the Fund spent US\$3.1bn financing 310 programmes across 127 countries. The Commission Staff Working Document is intended to provide some political options to the EU ahead of two donor pledging conferences, to be held in 2005, to provide additional money to the Fund, which has suffered from *ad hoc* commitments and a lack of leadership.

The replenishment conferences are required to address the funding gap between pledges for the forthcoming years and the amounts required to continue programmes, as determined by the GFATM Secretariat, which is based in Geneva. The Secretariat suggests that in 2005 the total budget should be US\$2.3bn, US\$3.6bn in 2006 and US\$3.7bn in 2007. The gap between needs versus pledges in 2005 is an estimated US\$900m, US\$2.9bn in 2006 and US\$3.3bn in 2007. The Commission suggests that either the EU and the United States continue to bear the bulk of the annual costs or that other donors including, for example, Japan, Canada and Australia would agree to bear one-third of the cost. Underlying this debate would be the question mark over how the EU contribution should be financed by particular Member States, as only 17 of the 25 governments currently contribute to the Global Fund.

At the current rates of spending, the European Commission estimates that 61% of the Global Fund budget is spent in sub-Saharan Africa, 7% in Central Asia and Eastern Europe, 5% in South Asia, the Middle East and North Africa, 18% in East Asia, South-East Asia and Oceania and 9% in Latin America. In terms of the three diseases, an estimated 56% is spent fighting HIV/AIDS, 31% on malaria and 13% on tuberculosis. Apart from the EU and the United States the following Asian countries have promised funds to the GFATM for 2005 including US\$2m from China, US\$0.2m from Singapore and US\$1m from Thailand – this is despite East and South-East Asia receiving 18% of overall funding. Japan contributed US\$104.7m in 2004 but has yet to make pledges for 2005 or beyond. The Commission Staff Working Document suggests that the replenishment conference to be held in the United Kingdom in September, when Britain holds the Presidency of the European Council, will be a watershed for the future direction and funding of the GFATM. ■

*John Quigley*

## Bihar 2005 Assembly elections: Implications of a fractured verdict

by Dr Girish Kumar

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Located in the Hindi heart-land of a continent-size country like India, Bihar (population 82.8m) is identified as one of the most backward amongst its 28 federal provincial units. By all accounts and in terms of all development indices, Bihar is a problematic State. This fact has, once again, been reconfirmed after the 2005 Assembly elections. The Assembly elections were simultaneously held in two other States, namely Jharkhand (a newly created State carved out of Bihar in 2001) and Haryana. In the two latter States, the governments were formed once the election results were declared, though the formation of the new government was not swift in Jharkhand either (perhaps carrying the legacy of Bihar). But Bihar was put under President's rule. For, the competing parties were unable to form a government in the face of a fractured verdict, which represents the opinion of a highly polarised society.

In fact, from the very start of the electoral process, there was a great deal of confusion at the ground level. It is apparent from the fact that unlike the 2004 Parliamentary elections, in which the Congress and its allies (State-wise regional alliances) scored a victory over the BJP-led National Democratic Alliance (NDA), the United Progressive Alliance (UPA) partners could not minimise their political differences for obvious reasons. Besides, the constituents of the UPA had one common collective interest: dislodge the NDA (in essence the BJP) from power. As elsewhere in the country, they succeeded in Bihar, too. The honeymoon period, however, did not last long. Initially Laloo Prasad Yadav and Ram Vilas Paswan tried to extract their pound of flesh when they fought over the control of railways. The Ministry of Railways is the biggest public sector employer. In addition, with a separate budget of its own and a huge all-India network, it offers immense opportunities to the incumbent Minister to dispense patronage and derive political mileage. Laloo scored a victory over Paswan largely because of a bigger numerical strength of parliamentarians owing allegiance to his party: Laloo-led RJD have 21 in comparison to a mere 3 of Paswan's LJP.

The real tussle, however, started with the seat-sharing arrangements for the forthcoming Bihar Assembly polls. In fact, much before the Central Election Commission announced a protracted electoral schedule for Bihar (voting took place in three phases over the month of February 2005) the shadow boxing among

the RJD, LJP and the Congress started. And it continued thereafter. Initially, during the election campaign, adding to confusion of the electorates and subsequently, among powerbrokers who huddled together to cobble a so-called popular government.

### ***Confused alliances and issues***

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Let us first see the issues discussed during the Bihar Assembly elections. Indeed there were many including the criminalisation of politics (read a thriving kidnapping industry under the tutelage of high-placed political patrons and the subsequent inaction of police forces), lack of opportunities for economic development, secularism and the empowerment of the backward castes. Sonia Gandhi went on emphasising the need of restoring law and order and a development agenda (that is, enhancing healthcare and educational standards) for Bihar but without criticising RJD's (mis)rule or at best obliquely referring the ruling party. Paswan, on the other hand, did not mince words while holding Yadav squarely responsible for the decay of Bihar on all fronts. Simultaneously, he went on emphasising that his being anti-RJD did not mean that he would ally with the communal NDA. Laloo Yadav, the third dramatic persona in the electoral arena who also had to face the incumbency factor, had his favourite explanations: restoring the dignity (self respect) of lower castes or the underbelly of the society and giving protection to Muslims. After all, he claimed and rightly so, that during the 15 years reign of the RJD Bihar never witnessed a communal riot. He was unable to adapt development agenda because of an unsympathetic party in power at the centre, he alleged. Hence, he appealed to the voters to give his party yet another five year term to develop Bihar.

Apparently the voters were confused. First, practically all political parties had fielded candidates with criminal antecedents in substantial numbers, including the LJP which was a most vocal critique of Laloo for harbouring criminals in politics. The voters wondered whether they would be able to form a clean government if they voted for the LJP. Second, the voter's dilemma was similar towards the Congress since it was neither opposing the RJD nor supporting it despite having seat-sharing arrangements between the two. Indeed the confusion was apparent across the social divide. The Congress had expected that the halo of Sonia Gandhi (remember her surging popularity after she renounced the Prime Ministership) would attract the voters cutting across the social divide.

The upper caste had expected that the leader of the Congress would denounce the stranglehold of the backward castes, most notably the Yadavs, over the State machinery. On the other hand, quite a substantial chunk of the lower backward castes and dalits were no longer willing to buy Laloo Prasad's rhetoric on their being empowered in the face of the ever-dwindling



livelihood opportunities. Even a section of the Muslims and the Yadavs were tired of Laloo's tall claim of uplifting the downtrodden and fighting for secularism.

In the previous elections, the Muslims and the Yadavs had provided nearly 27% of their votes in favour of Laloo Prasad Yadav. Even with resentment amongst prosperous and powerful Yadavs, including a few former courtiers of the RJD high-command (the principal beneficiaries of RJD rule), against Laloo's attempt to foist a dynastic rule in Bihar. This is not to deny the BJP government's dubious role in abetting the communal riots in Gujarat was a serious concern amongst the influential section of Muslim voters.

### ***A fractured verdict and after***

The end result was a fractured verdict. By bagging nearly one-third of the total seats (75 out of total 243) the RJD still emerged as the single largest party, though it was far from the magic number of 122 – minimum number required to form a government. The remaining 47, the UPA could have easily managed, by clubbing its allies in the Centre - RJD, LJP, Congress, NCP together, with assured outside support of the left (see Table). It did not materialise since it had a caveat: that instead of Rabri Devi (Chief Minister since 1997 when her husband Laloo Prasad was forced to resign on account of his alleged involvement in a multi-million rupees fodder scam) somebody else, preferably a Muslim deputy, should be made elected head of the state government.

Bihar: 2005 Assembly Election Results

Political Party	Seats won
Rashtriya Janata Dal (RJD)	75
Congress	10
Lok Janshakti Party (LJP)	29
Nationalist Congress Party	3
Communist Party of India (CPI)	3
CPI-M (Marxist)	1
CPI (Marxist- Leninist)	7
Bahujan Samaj Party (BSP)	2
Samajwadi Party (SP)	4
Bhartiya Janata Party (BJP)	37
Janata Dal-United (JD-U)	55
Independent & others	17
	243

The proposal was shot down by Laloo yadav. Slowly but gradually, Paswan hardened his stand that his party (LJP) would not join any coalition government with either RJD or NDA (read BJP and JD-U) as alliance partners. The President's rule was imposed. The new Assembly was not even convened and newly elected deputies could not take oath. From the surface, Paswan appears to be the villain of piece. At least this is what both the RJD and JD(U) wanted the people of Bihar to

believe. Given the numerical strength of party-wide legislature, a government cannot be formed by excluding both the RJD and JD(U). The resultant impasse is still continuing.

### ***Implications for coalition government***

Notwithstanding these political bickering, both Laloo Yadav and Ram Vilas Paswan continue to function as cabinet colleagues in the UPA government at the centre. It shows both the strength as well as the weakness of the coalition politics. Both of them know that any attempt to destabilise the UPA government would boomerang on them as well. The loss of power in Bihar would have made Laloo belligerent but he knows that he can still fight a lost battle from the vantage point of his ministerial berth in Delhi. Moreover, in the future, he can impress upon the voters that their opponents can not even form a government.

For Paswan, it is still a long way to go. He has already put a dent among the Muslim and Dalit voters of Laloo Yadav. By demanding that a Muslim be the Chief Minister, Paswan is preparing grounds for future electoral battles. Presently, all he had to do is to keep his flock together. According to media reports, a majority of his party (upper caste) MLAs, are restless because of Paswan's rigid stand. They are desperate to avail of the perquisites of office rather than wait on the sidelines for a minus RJD, minus BJP coalition government to take shape. In fact, fearing a large-scale defection, Paswan recently dissolved his party's (Bihar) State unit. Congress believes that a short spell of President's rule will yield benefits: earn kudos of the people by restoring law and order, streamline administration and implement the development package and in the process rebuild the party.

Call it a mockery of coalition principles or constitutional practices but it is a real interfacing of the Indian society and its multivariate democracy. The empowerment of the backward castes is the product of electoral churning over a period of three decades. The paradox is that the OBC (other backward castes) leaders want it at the cost of economic development and modernisation. This, in essence, forms the core of the current imbroglio in Bihar. It does, however, confirm that the nature of coalitions is not always fragile. If the alliances had been formed for the sake of sheer opportunistic gains, the partners would have been prompted by political exigencies and there would have been a government in Bihar. If a plebiscite were held in Bihar today on whether people want a popular elected government or the continuation of the President's rule, there is every possibility that the people would opt for the latter. ■

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# Thaksin: Winning... and, perhaps, losing in Thailand

by Dr David Camroux

The re-appointment of Thaksin Shinawatra as Prime Minister of Thailand thanks to the overwhelming majority obtained by his Thai Rak Thai party, in the parliamentary elections of 6th February last would seem a micro, or as the French could say, an *'eventmental'* event in world history. It is, and it is not. Thaksin's re-election, I shall argue, is an event of profound importance not only for Thailand, but also for all of South-East Asia. Thaksin's success was not, however, as self evident as it would seem: just three months before the election his popularity had fallen, according to the opinion polls, to below 50% of those questioned. In the end, not only was Thaksin to become the first Thai Prime Minister ever to win two consecutive elections; his Thai Rak Thai (literally "Thais who love Thais") is the first party ever to have obtained a majority in its own right in parliament. From 248 seats in 2001, the party now controls 376 seats, and in practice no longer requires the support of a coalition partner, a unique development in Thai politics.

Many analyses of the election place a great deal of emphasis on the personality and background of Thailand's richest man. While this is important, other structuring factors are at play. In a sense, Thaksin is the product of the extraordinary developments in the Thai economy and society over the last decades and, indirectly, has benefited from the consolidation of Thai democratic practice since the armed forces seem to have definitively returned to the barracks following the "yuppie revolution" of 1992. Nevertheless, as two important recent studies demonstrated, Thaksin's election as Prime Minister marks a watershed in contemporary Thai politics. First, it demonstrates a changing political balance between Bangkok and the provinces. The composition of the Thai Parliament shows the new convergence of business and political interests outside of Bangkok and the waning importance of the capital as the locus of political change. I would add to this analysis, by arguing that his election represents a confirmation for the Thai military of the need to abandon any residual pretensions to intervene in political life and to return, albeit as far as the generals are concerned with some material benefits, to a 'normal' place in a highly stratified Thai society. It needs to be kept in mind that only just over a decade ago, the rivalry between generals belonging to different graduation classes from the Military Academy was a dominant feature of political life in Thailand.

Shinawatra Thaksin comes from a Sino-Thai family from the northern city of Chiang Mai. Trained in the

police academy, rather than the army, he achieved the rank of lieutenant colonel before abandoning this career to enter into business and then politics. Helped by a judicious marriage, Thaksin initially received a monopoly to provide computers to the Thai police. Demonstrating one of the axioms of business in Southeast Asia, namely that it is not so much what you know but who you know, he preceded from there to construct the largest business empire in Thailand with a monopoly on mobile telephones, and very significant activities in finance and the media. In 2001 his party was the first in contemporary Thai politics to be elected with a clear political platform summed up in his assertion that he would achieve for Thailand what he had achieved for himself, namely make the country rich. His promises of an allowance of one million baht (approximately €20,000) per village and health care at 30 baht (60 euro cents) per consultation were warmly received. And, an extraordinary development in Thai politics, he actually began to enact the promises in his programme once elected. By 2001, thanks also, it should be acknowledged to the efforts of the previous Democrat government, Thaksin could claim to govern a country that had essentially recovered from the Asian economic crisis of 1997-8 and with a booming economy on a sounder economic footing.

Thaksin is popular. Amnesty International may, justifiably, remonstrate against Thaksin's war against drugs which has resulted in some 2,500 extra-judicial deaths, the sad reality is that opinion polls indicate, within Thailand, a 80% approval rate, more or less, of this action. Given the ravages caused by extremely cheap Burma-produced amphetamines (the production of which is tolerated, if not encouraged, by the junta in Rangoon) amongst the poorest and most vulnerable part of the Thai population, who "should cast the first stone"? Thaksin's popularity and, above all, the way in which he has succeeded by using the democratic process to accede to their positions of power needs explaining. After all, Mussolini, to use but the most appropriate not so distant European example, came, initially, to power by the ballot box. Among Thai intellectuals and many NGOs there is feeling that Thai democracy has regressed following the enormous progress in the 1990s. The world has changed, however, neither a Berlusconi in Europe, nor his South-East Asian peer, Thaksin, can empty civil society of its contrarian tendencies, nor control the access to information that is one of the virtues of a globalised world. Despite his control of a number of media outlets, part of the Thai press remains critical of Thaksin's policies and actions. Other checks and balances exist from the opposition Democrat party, whose candidate won the important election for the Mayor of Bangkok last year, to a vibrant movement of diverse NGO's. The role of Thailand's constitutional monarch, King Bhumipol, who has reigned since 1946, in bringing to bear his moral authority, albeit with parsimony, should not be neglected. Finally the courts

continue to impose limits on Thaksin's abuse of his business come political empire. For example, in March, the Supreme Court ordered the reinstatement of 21 journalists who, it found, had been unfairly dismissed for complaining that Shin Corp had been interfering with political coverage in their television station, iTV. Shin Corp is the flagship company of the Thaksin family that had bought a controlling interest in this previously independent station.

Several months before the election it was no means certain that Thaksin would be re-elected or, if he was, the general consensus among observers was that in normal circumstances it would be with a narrow majority requiring recourse to a renewed coalition government. The election of 6<sup>th</sup> February, however, was not held in normal circumstances: the *tsunami* that tragically struck six Southern provinces on the West coast island at the cost of some 5,300 lives, offered Thaksin a unique opportunity to demonstrate his leadership skills. Confronted with a national disaster requiring national solidarity, the opposition found itself reduced largely to silence. In any case the election campaign was no longer news. Moreover Thaksin's vigorous action in sending in the army for relief operations and rapidly putting into place an aid package for reconstruction showed him and his government in the best possible light. Within three days of the disaster he had, for example, announced an exceptional 28 billion baht (€560m) budget to rebuild the six Southern provinces. With the exception of some technical assistance Thailand refused overseas aid to deal with the consequences of the disaster.

To use an image of rather poor taste, it could be said that Thaksin was able to surf to victory on the wave of the *tsunami*. This would be a somewhat unfair conclusion however for, as in 2001, he presented a comprehensive series of promises; the most audacious being a promise to spend 1.5 trillion baht (€30 billion) on a series of large public works projects to improve Thailand's infrastructure. Thaksin argued that, while his first term was a period of healing from the 1997 economic crisis, his second term should be a period of nation building. The projects however, in my view, amount to a move away from a model of development based on export-oriented industrialisation to one in which a much greater percentage of growth would be generated domestically. Within the larger context of South-East Asia this development which would seem to follow implicitly the example set by Dr Mahathir in Malaysia, marks a watershed in the recent economic history of the region and, possibly, a new basis for a continuing Asian economic miracle.

Nevertheless, continuing Thailand's economic transformation is the lesser of the challenges facing the Thaksin government. Can he govern in a way that, since the 14<sup>th</sup> Century publication of the treatise, the "Three World's according to King Ruang", has been

the fundamental concern of Siamese rulers, namely maintaining unity within a religiously sensitive and ordered nation? From this perspective, the greatest challenge facing the Thaksin government concerns the South of Thailand. Unfortunately, I sense that Thaksin is as much a part of the problem as he is a part of the solution. Certainly unrest in this essentially non-Buddhist and largely ethnically non-Thai part of the former Siamese kingdom goes back not only for decades, but also for centuries. Nevertheless, there had been a significant calming down of separatist activity and violence during the 1980s and 1990s and it appeared that the South was benefiting, albeit inequitably, from the dramatic economic transformation of Thailand. As a result local grievances were finding their expression through legitimate political activity. Furthermore, the Thai army seemed to have found some kind of *modus vivendi* with the local population as a result of maintaining a lower profile. This virtuous circle came to an end at the beginning of 2004, partly as a result of Thaksin's decision to change dramatically the military profile in the South to a more aggressive one involving large numbers of police from outside the region.

In early January 2004, following a raid on an army camp in which four soldiers were killed and several hundred weapons stolen, martial law was declared in the South. Since then, over seven hundred people have died, one third of whom were victims of action by the police and the army. On 28<sup>th</sup> April 2004, for example, 113 mainly poorly armed young Muslim men were killed in attacks on police outposts and checkpoints. Also amongst the dead, were 18 unarmed soccer players and 32 people who were praying inside the historic Kru-Sae mosque in Pattani. A cycle, of revenge killings involving drive-by assassinations of emblematic figures of the Thai State – bureaucrats, teachers, judges and monks – has been set in motion. Coupled with increasingly sophisticated bomb attacks designed to terrorise the internal migrant population, the revenge killings have cost countless lives. In response to such attacks, several thousand more police and soldiers were sent to the South and State repression accentuated. Counter-productive repression by the authorities added to this vicious cycle. In October 2004, for example, six demonstrators in front of a police station were killed and a further 78 – amongst more than a thousand arrested – were suffocated in military vehicles. While the use of the term "ethnic cleansing" would be very much premature, significant numbers of ethnic Thais, essentially Buddhists are selling up their plantations and companies and leaving for fear of attack or reprisals.

Within this context the words and deeds of Thaksin, who has declared that he has taken personal responsibility for solving the problem of the South, appear to be accentuating cleavages. For example, in December 2004 the Thai Air Force dropped over one

hundred million *origami* “birds of peace” over the southern regions. This bizarre initiative was perceived by many Muslims in the South as demonstrating the contempt in which they feel they are held. Worse still, after his re-election in February, Thaksin declared that 358 of the region’s 1,580 villages would be declared “red” and be cut off from government development aid. A further group of villages would be declared “yellow” and be subject to greater surveillance. The South, it should be noted, bucking national trends, voted overwhelmingly for the opposition Democrat party during the elections and, at the least, there is a sense of punishment. This declaration, and the sending of a further 12,000 troops to an already heavily militarised region would seem likely to drive the Muslim population into the hands of an extremist minority. Sensing this and following an outcry that his strategy would unfairly punish entire communities for the actions of a few radicals and would be counter-productive, Thaksin backed down. Nevertheless the damage in terms of a political message had already been done: namely one of disdain for the people of the South. This feeling of injustice was aggravated by the lenient punishment meted out to the generals responsible for the October deaths. As in Aceh, the risk is that a reliance on heavy-handed force and punitive action will turn unrest into insurrection. As the experience of insurgencies elsewhere demonstrates, force has the overwhelming disadvantage of encouraging separatist groups to organise in a decentralised and clandestine way and renders mainstream political activity.

These developments have an importance that goes beyond the borders of Thailand. On the one hand, the post 9/11 “war on terrorism” has seen the “re-branding” of separatist movements and importance placed on their links – real or imagined – with other groups in the region, such as *Jemaah Islamiyah* or the GAM (*Gerakan Aceh Merdeka*) in Indonesia. Certainly there is sympathy and expressions of solidarity from Muslim co-religionists in the northern States of Malaysia, particularly Kelantan. On the other hand, the attention given to the problem in both Malaysia and Indonesia has led to suggestions that the problem needs to be discussed within an ASEAN context. This is something that Thaksin, on the basis of the ASEAN principle of non-interference, has flatly refused to countenance. Nevertheless the failure in the South has so tarnished Thaksin’s reputation that, in my view, he seems to have forfeited the possibility of assuming the mantle of leadership within ASEAN, in the way say of a Mahathir Mohamed or a Goh Chok Tong. In other words, a national victory may engender a regional defeat. ■

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## EU-Taiwan and cross-strait relations

by John Quigley

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Under the chairmanship of Dr Willem van der Geest, Director, European Institute for Asian Studies (EIAS), the Taipei Representative Office, Brussels, convened a meeting, on 1<sup>st</sup> March, to address issues related to China-Taiwan cross-strait relations and relations between the European Union and Taiwan. Addressing members of the European Parliament, academics and journalists via a video-link from Taipei, the President of Taiwan, Chen Shui-bian said the EU should consider seriously the impact of its decisions for stability in the Asia-Pacific. The panel also included Graham Watson, Leader of the ALDE Group in the European Parliament, Georg Jarzembowski, MEP and Chair of the Friends of Taiwan Inter-Group, Patrice de Beer, Editor, *Le Monde*, and Aidan White, Secretary General, International Federation of Journalists.

President Chen Shui-bian said Taiwan was prepared to lay the foundation for peace and stability in the Asia-Pacific region if the two sides on Taiwan Strait could reach out for reconciliation and make steps towards normalisation of relations. The aeroplane flights that took place over the Chinese Lunar Year was a window of opportunity for dialogue with China but, as Beijing calls for an “anti-secession” law to be passed, darks clouds threaten these reconciliation gestures. The draft law is a blatant attempt to define the status quo in Beijing’s favour and to allow China to be the final arbiter in cross-strait relations. An estimated 83% of Taiwanese oppose the draft law.

Taiwan, and international observers including the European Union, the United States and Japan, have all called for the dispute to be settled peacefully and through negotiations. Therefore, EU Member States should recognise the anti-secession law as an attempt to alter the status quo and should reiterate a call for peaceful relations across the strait. In contrast to Taiwan’s democratic reform over the last two decades, China remains a semi-closed society under authoritarian rule. Thus, the demands for the lifting of the EU arms embargo are causing concern for many countries in the region. Although China suggests it rise is a ‘peaceful emergence’, the EU must help maintain the military balance in the Asia-Pacific and ensure that China adheres to international standards on human rights. China has an estimated 706 missiles targeting Taiwan and is reluctant to renounce the use of force in cross-strait relations. Before taking any decision to lift the embargo, the EU must consider the strategic impact of its policy and how this might affect the balance between China-Taiwan and in the region.



Democracy in Taiwan was hard won but with the support of the international community and despite the measures taken to prevent Taiwan participating in international organisations, Taiwan takes its responsibilities very seriously, President Chen said. Recently, Taiwan has provided aid to Afghanistan, Iraq and to countries affected by the December 2004 *tsunami*. Despite this commitment, Taiwan's efforts are sabotaged by China. During the 2003 SARS crisis, when Taiwan needed international assistance, we could not receive timely medical intervention, he said. The European Parliament should stand up for Taiwan's membership in 2005 of the World Health Assembly both to ensure this could not happen again and to help developing countries take advantage of Taiwan's experience and aid.

Graham Watson, MEP, welcomed the opportunity for dialogue and noted that one of the core objectives of the EU is to promote democracy and the rule of law. Taiwan's progress could serve as an example to China to assist them to play a full part in the international order. It would seem appropriate, therefore, to involve Taiwan in international *fora* where Taiwan has a direct interest including, for example, the World Trade Organisation. The European Liberal Group has been critical of the attempt to lift the arms embargo in part because Europe should only be selling weapons to democracies and not to authoritarian regimes.

Georg Jarzembowski, MEP, welcomed the dialogue but expressed a hope that the national governments would soon be in a position to follow the demands of the European Parliament and to grant a high-level visit to the EU, to allow such dialogue occur in person. The proposed anti-secession law is a dangerous development in cross-strait relations and could provide the basis for further threats in the future. Hopefully sense will prevail and the draft law will not be adopted. Direct passenger flights were a positive development and demonstrates that direct links are possible. Could this be built upon through political dialogue?

Patrice de Beer noted that the EU arms embargo controversy affected not just China-Taiwan relations, regional relations in the Asia-Pacific but also EU-USA relations and USA-China relations. There is a certain degree of hypocrisy in Europe's position as, on the one hand, it is preparing to sell more arms to China but, on the other hand, demands guarantees of stability from other regions in the world. The posturing, in military terms, of the Peoples Republic of China, is setting a dangerous precedent both for cross-strait relations and for the region.

Aidan White wondered what steps are necessary, in the short and medium terms, before dialogue across the Strait could start? Taiwan will have to act carefully to nourish the democratic and rule of law values they've embraced. Despite an annual human rights dialogue,

many European governments refuse to consider seriously the issue of human rights in the EU-China relationship. However, principles such as freedom of speech, of the media, assembly and of association are not theoretical and all of them are restricted in China.

In reply to the panel discussion, President Chen said any movement towards democracy in China would be very welcome particularly the possibility of civilian elected leaders exercising control over the military, rather than the Communist Party. There could be great potential for the spread of freedom of speech, of religion, of civil and political rights and fundamental human rights. Taiwan has made good progress in these fields although some work remains to be done. Proposals to lift the embargo have caused considerable concern in the international community and President Bush has expressed fears that further arms sales to China could upset the military balance across the Asia-Pacific. Taiwan appreciates the active interest the European Parliament has taken in the issue but instead of China listening, Beijing is increasing the number of missiles it deploys, on an annual basis. The EU Code of Conduct should be strengthened rather than send the wrong signal to China.

The prospect of a high-level visit to Europe would be very welcome, President Chen said, noting that his last visit took place in December 1999. The recent Joint Statement by Japan and the United States is welcome and Taiwan appreciates the inclusion into their strategic objectives, for the first time. With the rapid increase in China's defence budget and the missile threat facing Taiwan, Europe, despite the geographic distance, needs to pay more attention to security concerns in the Asia-Pacific. The arms embargo issue has the potential to destabilise the region and therefore should not be linked to the question of the anti-secession law.

Democracy, human rights and the rule of law are universal values and peace in the region is the objective of not just Taiwan but also the United States, Japan and the EU. Criticising the leader of another government, in personal terms, is not conducive to good relations. However, it is legitimate to question the policies a government pursues. Maintaining the arms embargo and Taiwan's inclusion in the Joint Statement will only serve to maintain peace and security.

A democracy has a basic right to hold referendums. Taiwan held its first-ever national referendum in March 2003 with the prospect of starting peaceful dialogue and strengthening the island's defence capability. Criticising this referendum was a humiliation for the popular will of the Taiwanese people and their right to self determination. There can be a role for the EU in promoting the universal values of human rights and an important elements of this is protecting peace. ■



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# Democracy and governance in Nepal

by John Quigley

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On 2<sup>nd</sup> March, the European Institute for Asian Studies (EIAS) hosted a lunch briefing on the situation in Nepal following the dismissal of the government and the resumption of executive power by King Gyanendra, on 1<sup>st</sup> February. The meeting was told that the King acted within the terms of the constitution and would return Nepal to democracy within three years. The meeting was chaired by EIAS Secretary General, Dick Gupwell.

H.E. Narayan S. Thapa, Embassy of Nepal to the EU, said that, in accordance with the Constitution, under Article 27(3), King Gyanendra, on 1<sup>st</sup> February, dissolved the Council of Ministers led by Sher Bahadur Deuba and reconstituted the Council under his own leadership. The political and constitutional process leading up to this point is complicated but clear, Ambassador Thapa said. In May 2002, the elected Prime Minister applied to the King to dissolve Parliament. While acceding to this request, the King asked the Prime Minister to oversee a caretaker government with a view to holding elections within six months. International election observers, including from the EU, were ready to monitor the situation in Nepal. However, in October 2002, the Prime Minister applied for an extension to his mandate in light of the ongoing security situation. With regard to the Constitution, the King dismissed the Prime Minister for failing to exercise his mandate properly.

Since that time, three governments have been formed with a dual mandate: to organise an election and to bring the Maoist rebellion under control. However, none have implemented the King's mandate. The passage of thirteen governments in 14 years reflects the instability wrought by the political parties in an atmosphere of petty interest and corruption among party leaders. The political situation was damaging the economy, society and the provision of justice. A report prepared by the International Crisis Group, in February, condemned the record of the political parties.

Since the start of the so-called Maoist rebellion, Ambassador Thapa said, Nepal has been a victim of terrorist violence for over 10 years including murder, rape, abduction, forcible recruitment and extortion. Politically, the rebels have failed to win any representation in Parliament. The conflict has claimed over 11,000 lives and the rebels have declared aim of overthrowing the Constitution. The very survival of multi-party democracy in Nepal has been threatened. In response, the King, in line with his constitutional responsibilities, has acted to prevent the full-scale slide

of the country into chaos. There was a feeling that the State was in a process of fragmentation and that none of the elected leaders were prepared to do anything to stop the disintegration into various ethnic groups.

King Gyanendra has made clear that he wishes to bring peace and security to Nepal and to reactivate the democratic process. The King fully supports the return to multi-party democracy. Under Article 115 of the Constitution, some fundamental liberties of the Nepalese people have been restricted, some detentions have been made and other detainees have been released. Under the present state of emergency, restrictions on the media will be temporary, Ambassador Thapa said. Respect for human rights is a basic principle of the 1990 Constitution and the King is making every effort to protect fundamental rights, even as the country faces a serious threat to its survival. Abuses by the armed forces are being addressed through ongoing investigations and there are moves to strengthen the national Human Rights Commission.

The new Council of Ministers has published a 21 point programme addressing issues of good governance, effective political representation, social and economic justice, respect for human rights and a new commission to target corruption will be established, Ambassador Thapa said. The King has called on the insurgents to renounce the use of violence and return to mainstream politics so, hopefully, the rebels will come forward for negotiations. There must be a recognition that the Nepalese people have suffered enough and that the worsening political situation was not able to address the needs of the people.

Addressing the meeting, Nicholas Grono, Director of Advocacy and Research, International Crisis Group (ICG), Brussels, said the insurgency in Nepal has been particularly brutal and would have important ramifications for democracy in South Asia, if it was allowed to succeed. The ICG has reported on the conflict for several years and have expressed concern that the actions of the King will do little to suppress the insurgency. The King has indicated that he wishes to return to multi-party democracy but a only viable and functioning democratic system will be able to defeat the rebels rather than monarchical direct rule. The political parties have been deeply venal over many years and share part of the blame for the current situation. Most of the blame must rest with former King Birendra and the current King Gyanendra, for their attempts to influence the political process.

On the morning of 1<sup>st</sup> February, the army, acting under orders from the King, detained senior political leaders. The King broadcast a message on State television and, subsequently, all telecommunication systems were cut. Incoming flights were forced to return to their country of origin. The Royal Palace summoned the press and outlined what measures of censorship would be



implemented. Human rights activists were arrested and some 400 people are now estimated to be in prison. The King suspended key parts of the Constitution including the right to free speech, assembly, privacy and the recourse to natural justice, which breaks the International Covenant on Civil and Political Rights. These are the actions of an absolute monarch, removing possible threats to his rule. In his message to the Nepalese people, the King pledged to restore democracy within three years.

Taking control of the Council of Ministers has probably strengthened the Maoists against the system of government not least because whatever civilian control did exist previously over the military has been totally ended. By removing the political parties from the equation, the choice now is between either the Maoists or the monarchy. Even traditionally close allies of Nepal have criticised the King including India who has said that this would undermine both democracy and the monarchy. In a statement, the United States has said that it will review its aid budget to Nepal and the World Bank has suspended aid payments.

These developments should be of great concern to Nepal and, indeed, the King appears to have been taken by surprise by the strength of international reaction. There are reports that the King was contemplating seizing power in December 2004 but, following very strong representations by the British government, the King indicated he would not take action. Two surveys in 2004 reported on Nepalese attitudes to democracy. The first, in July 2004, found 60% in favour of a constitutional monarchy and the second, in September, reported 62% in favour of multi-party democracy. The Maoist insurgency started in 1996 and, since then, an estimated 10,000 people have been killed including some 7000 by the State. Both sides have been responsible for widespread human rights abuses but with the rebels supporting kidnapping, torture, child soldiers and disappearances. The army has been responsible for some 1200 disappearances since 2003. In general, there has been a crack down on the freedom of the press, on civil society and against human rights defenders. Many observers believe that a culture of impunity seems to pervade certain sections of the State.

For many years, Nepal has suffered from underlying social and economic inequalities that have fed the Maoist rebellion. The literacy rate for adults is 44%. In conclusion, Mr Grono said, the ICG calls for the restoration of constitutional governance, the release of all those detained to date, an end to the state of emergency, improved enforcement of human rights and a serious effort to address underlying inequalities. All military assistance to the Royal Nepalese Army should be suspended and direct bilateral and multilateral support needs to be re-examined. International donors should co-ordinate their response, in particular

countries including India, the United Kingdom, the USA and the UN. It is very unlikely that the King will be able to deal effectively with the Maoist threat so the goal of restoring multi-party democracy should be met sooner rather than later.

### ***Questions and Comments***

Bernard Jarzynka, European Commission, wondered who was supporting the Maoists, through financial or military aid. What kind of possibility exists should a ceasefire occur of integrating them into the political process. Dick Gupwell, EIAS Secretary General, asked to what extent the caste system still prevailed in Nepal and what role it might have in maintaining the rebellion. Peter Skott, Permanent Representation of Denmark, raised the level of organisation of the Maoists and queried their political and military objectives. Dr Sebastian Bersick, EIAS Research Fellow, wondered there could be a role of the regional organisation the South Asian Association for Regional Co-operation (SAARC) and whether greater sovereignty for Nepalese citizens might be an answer to governance and democracy failures.

Rachel Maycock, Political Assistant, European Parliament, raised the possible role of the EU asking whether EU involvement would be helpful or whether sanctions should be implemented. Would there be a role for the EU to mediate in the conflict, similar to the Norwegian involvement in Sri Lanka. Panicker Kamalam, Asia Desk Officer, ICFTU, said she was present in Nepal during the take-over. Representatives of civil society she met believed that the actions of the King would serve only to strengthen the Maoists. A climate of fear now pervades the country with many NGO members in hiding. Perhaps there will need to be greater separation of powers between Parliament and the monarchy in the future, to prevent this from happening again. Hannah Haeffner, Political Assistant, European Parliament, queried the social conditions in the country and wondered what measures were being undertaken to address social inequalities rather than just political issues. Dr Willem van der Geest, EIAS Director, asked what kind of social and economic reforms would be necessary to undercut the Maoist agenda.

### ***The Speakers in Reply***

H.E. Narayan S. Thapa said in reply that representatives of the Maoists were very involved in the drafting of the 1990 Constitution. In general, the Maoists derive most support from rural sections of the population, were people have been marginalised from development. There is no external support and certainly not from China, in spite of the movements name. The rebels do have connections with the Naxalites of India. Representatives of the Maoist twice came to the negotiating table, so the King is reasonably



hopefully that they will do so again, in part because their tactic of strikes and blockades will not now be able to intimidate politicians. The Maoists receive most of their support from the lower castes, those most marginalised by the competing political parties in Kathmandu. In Western Nepal, where they mostly operate, their general military tactic is hit-and-run attacks on military and police posts. In recent times, Maoists have spread their attacks across most of Nepal.

Unfortunately, the SAARC Summit had to be postponed but it should be held in the first half of 2005. As a regional-level form of co-operation, SAARC usually would not discuss bilateral issues, although the Summit often provides an opportunity for informal contact. A role for third parties would need a decision of the King but it would be expected that Nepal could deal with the Maoists on its own. The legal decision by the King to assume power follows powers granted to him under the Constitution and, therefore, it is inappropriate to talk of a coup. The King is personally in charge of the military but the Council of Ministers, as appointed, is a civilian administration. The fact remains that if the political parties had shouldered their responsibilities the King would have remained in the background.

Nicholas Grono said that external support for the Maoists was unlikely. Since the start of the rebellion, the State has been unable to defeat them yet the King is offering now a military solution, which does not seem viable, especially as donors will suspend military assistance and training. The only long-term solution will be to address social and political inequalities. An ICG report has questioned whether the Maoists have any coherent structure and whether they have clear political demands at all. Occasionally, rumours emerge suggesting there are leadership battles but, it seems, that regional commanders have a great deal of leeway in deciding tactics and targets.

Mr Grono doubted whether there would be a role for SAARC, as the organisation is somewhat moribund. Stronger signals and action from Nepal's neighbour India would achieve much more. The EU has been highly critical and could be a role for some of the EU Member States who are substantial donors to Nepal's budget. Equally, the UN may have a role with the issue being raised in the UN Commission on Human Rights in March-April and with the possibility of a UN Special Rapporteur being appointed.

It is doubtful, Mr Grono said, whether the King is acting within the authority of the Constitution. Proposals to act under Article 127 of the Constitution must be laid before Parliament but it has been suspended since 2002. The role of the Royal Nepalese Army in the coup was substantial and could reflect some of the severe criticism they have received about their involvement in human rights abuses. ■

## Human rights in Aceh post-Tsunami

by Fransiskus Panggih Purwoko

On 17<sup>th</sup> March, the European Institute for Asian Studies (EIAS) held a lunch briefing with Mr Hendra Budian, Vice Director, Banda Aceh Legal Aid Institute (LBH), Indonesia, on the topic of "human rights in Aceh after the December 2004 tsunami". Mr Budian was in Brussels at the invitation of the International NGO Forum on Indonesian Development (INFID) and also addressed the European Parliament's Development Committee. The EIAS meeting was chaired by Dick Gupwell, Secretary General.

Aceh is a province in Northern Sumatra, which, like most of Indonesia, is overwhelmingly Muslim. It has a population of around four million and a long tradition of resistance to outside powers. In 1957, the Indonesian military under President Sukarno was able to suppress the Islamic State and, in 1959, gave Aceh "special territory" status, which ostensibly conferred autonomy in religious, educational, and cultural matters. However, issues that matter most, including Aceh's share of revenue from its natural resources still simmered and, in 1976, the Free Aceh Movement (GAM) was founded and the secessionist guerrilla war has been fought sporadically ever since, costing thousands of lives. Points brought up in the meeting included;

- the international community has helped a lot with their rapid response. The tsunami has increased awareness of Aceh and made it more accessible as foreign humanitarian relief operations entered the province at will, defying the civil emergency status. Human rights organisations still can not visit and Aceh including, even, Amnesty International.

- The rehabilitation and the reconstruction process should take into account the armed conflict between the Free Aceh Movement (GAM) and the Indonesian Military (TNI). There were more people killed in Aceh conflict in the two years before the tsunami than over the same period in the Israel-Palestine conflict. About 40 percent of the population were living in poverty because of the conflict. International community should not leave the fate of Aceh in the hands of TNI. The international community should use its influence to force the Government and GAM to keep talking. The ceasefire should be respected.

- Aceh is still under civil emergency law. The difference between the civil emergency law and martial law lies in the person in charge. Civil emergency means Aceh is no longer under military rule, but under a civilian governor. But Aceh's governor is currently



serving his term for corruption. In practice, the military and the police are still in control both on security matters and political. Some districts are effectively under military control which is not a recipe for conflict resolution in a province where mutual distrust runs deep between the military and the local population.

- The government plan for reconstruction has not been consulted with *tsunami* survivors. Government efforts have been top-down and dominated by security interests, for example, setting up camps next to military barracks. These camps are heavily controlled by the TNI and prone to human right abuses. Different parts of civil society have also complained that they have not been told about plans and activities of national and international agencies involved in rehabilitation work. An attempt by Indonesian and Acehese civil society groups to hold a discussion forum in Aceh on the reconstruction process was banned by the authorities.

- The government announced that it was “reviewing the presence of all humanitarian organisations”. It offered vague clues as to which group will qualify to stay on for reconstruction process after 26<sup>th</sup> March. Government officials contradicted each other as to which groups can and cannot stay. There was speculation that this is the government’s way to kick Christian groups out of Aceh in order to portray the Acehese as militant Muslims. Perhaps the TNI and some affiliated private companies merely want a share in the reconstruction business (for example, Artha Graha, in which Kiki Syahnakri is on the board of directors. Kiki Syahnakri was the East Timor expert on the staff of Army Chief of Staff Subagyo HS and later TNI regional military commander for Udayana, a military command that included West Timor).

- As money is pours into Aceh, the conditions of the internally displaced persons have not improved raising questions on how the money was spent. The huge international aid effort is in jeopardy, because of a lack of co-ordination and there is no agreed plan on how to spend the funds. The aid has to meet the real needs of the battered communities to get to their feet again.

- Different civil society groups must be involved in the reconstruction and peace process. The strategy should be community-led decision making, not only participation and consultation. In the peace process, the peace talks should involve other stakeholders. The government should take into account voices from TNI, DPR and other potential hard-line nationalist groups that can undermine the peace process. Other civil society groups in Aceh should also be involved. Second-tier diplomacy is suggested, as it will accommodate different groups within the conflicting parties. ■

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## Post-conflict democracies in Asia and Europe

by John Quigley

At a lunch meeting, on 21<sup>st</sup> April, the European Institute for Asian Studies (EIAS) heard details of four case studies, Cambodia, Cyprus, East Timor and Bosnia within the context of “From bullets to ballots and beyond: Building post-conflict democracies in Asia and Europe”. Dr Plamen Tonchev, Head of Asia Unit, Institute of International Economic Relations, Athens, told the meeting that the international donor community needs to develop a country-specific approach with a long term perspective, to help lift countries out of the cycle of violence and poverty. The meeting was chaired by Dr Willem van der Geest, EIAS Director.

The link between recent elections in Afghanistan, Iraq and Palestine, Dr Tonchev said, was a context of taking a first step towards rebuilding society as it enters a post-conflict phase. These countries are also a sad reminder that conflicts are here to stay and the challenge of reconstruction is something that the international community must overcome.

Examining each case study, for Cambodia it was noted that the conflict started as a result of the war in Vietnam. Unlike other similar countries, the genocide in Cambodia was the result of internal aggression and was not caused by outsiders. The 1993 election, the first in the post-conflict phase, was handled by UNTAC, who arranged almost all aspects for the democratic process. The case of Cyprus represents one of the most intractable diplomatic problems under the auspices of the United Nations where, for more than three decades, the country has had a peacekeeping force. In effect, two different entities emerged with Greek versus Turkish parts. The presence of the UN is limited to patrolling the Green Line through UNFICYP.

After Portugal withdrew from its colony, East Timor in 1974, its problems mushroomed leading up to widespread violence in 1999, the 2001 elections and, eventually membership of the United Nations for an independent country. The election was arranged by UNTAET, with a broadly similar mandate to UNTAC, including managing decision-making and peacekeeping. East Timor is the only example of the emergence of a new country from conflict. The conflict in Bosnia has two main characteristics, Dr Tonchev said, firstly, it is a three sided conflict and, secondly, since the Dayton Peace Agreement in 1995 has enjoyed perhaps too many elections. Since Dayton, the internal structure of Bosnia has been very complicated or fragmented.



After the electoral process is over, either an election or a referendum, Dr Tonchev suggested that, as a principle, observers should not be overly concerned with the statistics of voter turnout or the winning margin of votes. It should be more important to examine the process of the election and the aftermath. As people vote according to their expectations, a low voter turnout probably reflects low expectations about what the political parties will do after an election. This suggests that democracy and the democratic process should be linked to socio-economic development.

Cyprus is an interesting example, whereby the April 2004 referendum, on whether the two communities should unite and join the EU, was defeated by the Greek Cypriots. This could be explained, Dr Tonchev said, by the principle of development. Whereas the Turkish Cypriots voted in favour of the UN proposal with the expectation of joining the EU, the Greek Cypriots did not have a similar incentive in light of their links to the EU through Greece.

The effectiveness of international support for post-conflict societies could be measured through four principles, Dr Tonchev suggested. Firstly, in terms of political and economic factors, it can be argued that elections do not always lead to stability. According to a 2000 World Bank study, an estimated 40% of conflict torn countries go back to war after the first election. It can be seen in Iraq that, despite the election, violence continues. The process and timing of elections has considerable significance. Secondly, international support for the de-mobilisation, de-militarisation and re-integration of soldiers into civilian life is vital. In East Timor, parties had lengthy talks before the referendum about de-militarisation leading to the signing of three Agreements, yet immediately after the ballot, violence continued. This demonstrates the need for effective mechanisms to enforce the terms of any Agreement and appropriate incentives to ex-fighters.

Thirdly, the process of democratisation must be recognised as a lengthy commitment focussing not just on election day but into the long term. This would include launching initiatives addressing judicial reform, gender equality and a whole range of programmes to include people in the democracy process. Fourthly, the process of justice and reconciliation must be supported adequately. In Cambodia, the cost of the Khmer Rouge Tribunal is estimated to be US\$56m. Justice can be expensive.

Other questions which must be considered by the international community, in terms of the effectiveness of support, include the cost of elections. This can be considered as a *par voter* cost of *per capita* cost. The most expensive election recently took place in Afghanistan with a cost of US\$30 *per capita*. When considering the cost, expenses such as security must also be included rather than simply calculating the

operational cost of providing ballots and observers. In terms of reconstruction costs, the expense of holding an election is just a small fraction of overall costs. Thus, in Afghanistan, only 5% of donor aid has gone towards holding the election in October 2004. Patterns of aid distribution in East Timor and Cambodia were similar with the United Nations establishing Trust Funds. However, some international donors are not happy with such a multilateral process and prefer to provide aid on a bilateral basis. This can lead to very complicated situations with a multitude of donors.

Avoiding blanket principles might help address questions surrounding donor fatigue. Donors have to be accountable to national governments or parliaments. In most post-conflict societies, there is massive waste of resources and aid. Donors must ensure value for money and this could be best achieved through meaningful needs assessment. Questions of transparency arise here also and would have the potential of reducing overlapping international funding.

The four case studies demonstrate that ballots, whether elections or referendums, should be seen as a tool in post-conflict societies, rather than a self-fulfilling exercise. International support must focus not just on election day itself but also on the election process including democratisation and economic recovery. This means international aid must have a long term outlook and be adjusted to the specific needs of individual countries. To establish a methodology of assisting post-conflict societies, Dr Tonchev noted, elements of political stability, wider democratisation issues and the effective provision of aid – leading to economic stability – must be addressed.

Feedback from Asian audiences to these ideas had been both interesting and challenging, Dr Tonchev said. In terms of national sovereignty and democracy, Asians remain sensitive to Western perceptions and demands. There was concern that democracy must deliver benefits to citizens in their daily lives. Holding elections too frequently can cause problems. In Bosnia, nationalist parties are resurgent, Cambodians are very concerned about corruption, Indonesians highlight the importance of a credible judiciary and the definition of 'war crime' versus 'war criminal' was raised in the context of rebels versus freedom fighters. In a post-ballot situation, it was noted that the international community tends to address countries that have a power vacuum, which is not always the case in a post-conflict society. Donors must look at the aid pledged versus the money actually distributed and actions targeting de-militarisation should identify soldiers rather than entire communities.

In conclusion, Dr Tonchev proposed a possible role for the Asia-Europe Meeting (ASEM) process in developing a 'toolkit' on post-conflict reconstruction. The toolkit could be based upon experience from Sri



Lanka including confidence building, capacity building and nation building.

## Questions and Comments

Don Kenyon, Ambassador (Retired) of Australia to the EU, said that, of the four case studies, East Timor seemed the most successful country and wondered why that would be so. Could the answer be found in the expectations of the Timor people or is it the result of international aid spending in the pre- and post-electoral phase. Boudewijn Jonckheere wondered how the actual costs of reconstruction are calculated, in light of the many different variables that could be included in the final total. Nicholas Whyte, International Crisis Group, questioned the absence of information on the role of political parties in the analysis presented. In terms of de-militarisation, there can often be a fundamental problem of the political representation of the leaders of various factions, particularly once the fighting stops. Conditionality, as practised in developing countries, may not be successful because of the half-hearted implementation by donors, for example, the human rights clauses in EU Agreements with third countries.

Dr Tazeen Murshid, *Université Libre de Bruxelles*, asked what role should the EU or other donors play when considering a possible policy approach to post-conflict societies. Initiatives will not work in the long run if donors fail to develop and consider the recommendations of local contacts. Julang Pujianto, Embassy of Indonesia, regretted the suggestion that voters of developing countries would not be sophisticated enough to make appropriate political judgements. The success of elections in East Timor is due to the people exercising their rights but one unfortunate consequence of this is that now the attention of the international community has wavered.

Nawab Khan, *India News in Europe*, noted that the Indian electorate, as a developing country, has exercised considerable political maturity over many years, something which may not be the same of Europe, which has seen the rise of the far right or the United States, which has been criticised for the re-election of President Bush.

Dick Gupwell, EIAS Secretary General, said there was more to democracy than just holding elections. The link between democracy and citizens seeing benefits on the ground is important and relates to a wider process of democratisation. One element of this would be the convening of a parliament to hold the executive to account, both through political parties and at a local level. Although not a case study, the example of Afghanistan had been mentioned: how does the judicial system operate there. Jozefien van Damme, Bruegel, wondered whether the 'toolkit' proposed within the ASEM context would have bottom-up measures rather than just top-down elements. Dr Sebastian Bersick,

EIAS Research Fellow, wondered how Asians reacted to the concept of civil society, as the activities of non-governmental organisations (NGO's) across Asia was patchy. What role does China play in the Asia-Europe Parliamentary Partnership (ASEP) process.

## The Speaker in Reply

Dr Tonchev said that the success of East Timor lay in the quality of planning organised by Sergio Vieira de Mello of the UN and although initial results from the massive international donor spending were encouraging, the economy is shrinking now that the UN and associated expatriates are leaving. While Timorese leaders did negotiate successfully the Oil Fund Agreement with Australia, there is over 50% unemployment. International aid may have been concentrated too much over the short to medium term and may have proven to be less effective than hoped due to aid absorption capability problems.

Determining the cost of reconstruction for any particular country is obviously very difficult but can fall between what a country says it needs and what donors actually contribute. In Afghanistan, President Karzai called for US\$28bn and received pledges of US\$8bn. The question of political parties is important but was not a factor raised by audiences in Asia. Asia tends to focus more on political leaders rather than the parties, even when the leaders are war criminals. At election time, people vote bearing in mind the history of candidates and, thus, in Afghanistan, Hamid Karzai won because he was seen to have less blood on his hands than other candidates.

The results of the four case studies show that a general policy-driven approach would not work. Instead a co-ordinated approach with appropriate needs assessment must be implemented with co-ordination among donors as well, Dr Tonchev said.

The issue of the level of sophistication of voters in developing countries was raised by Asian audiences. The success of the triple elections in Indonesia in 2004, demonstrated a high degree of maturity, in political terms. India is another example. In contrast, in Cyprus, it seems unlikely that Mehmet Ali Talat is any different from Rauf Denktash, in part because Turkey always uses Cyprus as a bargaining chip. The judicial system in Afghanistan has three tiers including State, tribal and Islamic systems. Often, Supreme Court decision will not be implemented at local level. Islamic justice operates very much on the ground but often not in a transparent way. The prospect of bottom-up initiatives in post-conflict societies may not be wise in many cases. Such societies are often rural with tribal leaders so the role for civil society would be limited. Where NGO's can operate the most successful are usually housewife or religious based. ■

## Lifting the arms embargo against China: EU priorities?

by Signe Bruun-Jensen

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The TransAtlantic Institute convened a conference, on 6<sup>th</sup> April, on 'Lifting the Arms Embargo on China: A Shift in EU Priorities?' to discuss the EU's declared intent to lift its 1989 arms embargo and what repercussions this might have for EU-US relations. Speaking at the conference were James Moran, Head of the Asia Unit, European Commission; Dr Sebastian Bersick, Research Fellow, European Institute for Asian Studies; and Dr Greg Austin, Director of Research, Foreign Policy Centre. Harold Tanner, Chairman of the TransAtlantic Institute, moderated the event.

James Moran opened his presentation with the insight that in order to appreciate the complexities surrounding the EU's confirmed commitment to lift the 1989 arms embargo, the debate must be put into a contextual framework of the Sino-European relationship. The EU perceives the 'Rise of China' to be more of an opportunity than a threat. Lifting the embargo could signal a more formal relationship, indicating a commitment to a deeper engagement with China.

It is in the interests of both parties to work towards an agreement that would elucidate a political expression of their strategic partnership and allow for operational coherence. This would also facilitate the elevation of relations to a higher political level. Nonetheless, the EU remains concerned to see progress in terms of civil and political rights and is hopeful that China will ratify the 1998 UN Convention on Civil and Political Rights.

Naturally, a clear course of engagement in EU-US relations is needed to address concerns amongst Europe's traditional ally. Critics fear that China's new anti-secession law serves as an example of the country's regional aspirations and point to the possibility of increased arms sales upsetting regional stability and endangering Taiwan. Whilst there is no direct link to the arms embargo, the new law could complicate matters. It should be highlighted, however, that the law also contains provisions for engaging in peaceful dialogues with Taiwan.

Dr Bersick addressed the position taken on the lifting of the embargo 'State-side'. Many in the US perceive the EU to be shifting its strategic interests away from its longstanding ally and into territory traditionally considered to be the US's backyard. He cited several critics of the EU's decision as fearing that it could lead to a situation where 'EU bullets end up killing our boys in Asia'. The question of symbolism and perception is pivotal in defining the tension that has arisen in transAtlantic relations.

Proponents of lifting the embargo should take note of US sensitivities. Whilst the EU should proceed with what it regards to be a strategically important move, it would be foolish to overlook the importance of maintaining a good working relationship with the US. Instead of pushing ahead, the EU should incorporate the US into the process of strengthening the present or creating a new legally binding Code of Conduct.

Dr Greg Austin addressed the fear that lifting the embargo will send a wrong message to China on the EU's commitment to human rights. When the sanctions were imposed in 1989, it was as a reaction to the events in Tiananmen Square – the issue of human rights abuses was not added until later. Furthermore, weapons are sold to countries such as Saudi Arabia and Pakistan. The impact of the embargo on China's human rights performance has been negligible. Rather, the EU should proceed with its efforts to remove the embargo and instead continue to engage China in a human rights dialogue through other *fora*.

The embargo is but one element of a series of sanctions imposed on China after the 1989 Tiananmen 'clampdown' and remains the only sanction still in force. The US, a most fervent opponent of lifting EU sanctions, has itself circumvented restrictions on the sale of dual-use technologies to China. Alarmists, who fear that lifting the embargo may alter the regional military balance, overestimate China's military capabilities and its zeal to acquire additional military technology. Scrapping the embargo would not open a free-for-all of European arms sales to China. What is required now is a feat of public diplomacy whereby the EU makes a concerted effort to engage opponents of the embargo in an open dialogue.

During questions, Annalisa Giannella, Personal Representative to Javier Solana on Non-proliferation of Weapons of Mass Destruction, said most export denials have been based on codes of conduct rather than embargoes as in the cases of Iran and North Korea. The EU should be working towards clarifying and expanding the present Code of Conduct rather than heatedly debating whether or not to uphold the embargo. This would entail the strengthening of end-use criteria and certification mechanisms as most items in question are and will be advanced and dual-use technology rather than conventional arms. The ensuing debate centred on the need to proceed with the EU's commitment to lift the embargo, with several commentators pointing out that this is an important stand to take at the present time. Opposition in the US will remain, but the fact that President Bush 'failed' to comment on the matter during his visit to Brussels this year, signals that his administration, at least, will leave this decision to the EU. ■

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