

India-European Union Strategic Partnership: Time to Move Ahead

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Introduction

India - European Union (EU) relationship dates back to 1962 when it established diplomatic ties with European Economic Community (EEC). This relationship was primarily based on a commercial cooperation agreement but with passage of time, developed into a strategic partnership in 2004. The importance of strategic partnership lies in the fact that both India and the EU share a common vision for a democratic, multi-cultural and multi-polar world order. At a time, when new economic and security architecture is evolving in Asia, EU's engagement in the continent is incomplete without partnering India. Similarly, India has to engage with liberal, democratic and globalised Europe for its own benefits.¹ Considering commonality of vision, contemporary international scenario and future stakes, the India- EU relationship is of paramount importance to both sides.

Developing Economic Partnership

India is one of the largest growing economies of the world, registering an average growth of more than 6.5 per cent in the last decade. As a matter of fact, India is also amongst those few economies which largely remained insulated from the world economic recession. Similarly, the EU is the world's biggest trading power despite being affected by the financial crisis. The EU as a whole remains world's largest exporter and importer of services with a share of roughly 25 per cent.² In an era of liberalisation it is obvious that these two important economies of the world will come close to each other. The trade between the two had grown exponentially and has doubled from € 28.6 billion in 2003 to over € 55 billion in 2007. EU's investments in India have more than tripled since 2003 from € 759 million to € 2.4 billion in 2006 and trade in commercial services has more than doubled from € 5.2 billion in 2002 to € 12.2 billion in 2006 (see table 1).

Table 1 : EU - India Trade Profile in 2009 (in Euros)

Trade in Goods

Indicators	Quantity
EU goods export to India	27.5 billion
EU goods import from India	25.4 billion
Trade in Services	
EU services export to India	8.6 billion
EU services import from India	7.4 billion
Foreign Direct Investment	
EU outward investment to India	3.2 billion
Indian inward investment to EU	0.4 billion

Source: European Commission Trade [Online: web] Accessed on 13 January 2011, URL: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/india/>

As per the figures of 2009; India is the 10th major import partner, 8th major export partner and 9th major trade partner of the EU. For India, EU is the largest import, export and trade partner in 2009.³ Not only this, India and the EU are also in the process of finalising Free Trade Agreement (FTA) which was to be signed in 2010, but date extended by this year. Number of civil society groups of both India and Europe are opposed to some provisions in the FTA. There is a need for reviewing some genuine points of disagreement because issues of livelihood are linked to them. But after the FTA, the trade links between the two would certainly strengthen. In brief, there is a lot to cheer both for India and the EU as far as economic ties between them are concerned.

Apprehensions on Geo-Strategic Issues

However, both in India and Europe, there are scholars who are skeptical about the nature and character of strategic partnership between India and the EU. According to European expert Christian Wagner, "India's new middle class and its foreign policy elite remain much more focussed on the US and Asia rather than on Europe."⁴ Likewise Indian strategic analyst C Raja Mohan in one of the articles raised several questions on the EU's role in the world politics⁵

Even if we ignore India - EU relations, there are analysts who are of the view that EU is more a normative power advocating certain values and ethics in international relations and is dependent on the USA for its security and strategic issues. This was clearly visible on several occasions, including during the Balkan crisis where the EU had failed to resolve it internally and had to rely on the US led North Atlantic Treaty Organisation (NATO) forces for succor. Also, during the Iraq war there were differences and lack of consensus between the member states. At present the EU member states as a part of NATO alliance are involved in conflict ridden Iraq and Afghanistan but under the aegis of the USA.

On the other hand, India is also striving hard to acquire a dominant position in the international arena. There are prospects and challenges for India in its mission to establish its independent identity in international relations. These include its growing economy, large market, demography, democratic structure and geostrategic location. On the side of

challenges, India has to safeguard its national interests with regard to a number of issues like international terrorism, climate change, independent foreign policy, energy requirement etc. As of now, when India is readily looking for partnerships and understandings based on its fundamental and founding principles of its foreign policy not much has been offered from the side of the EU. However, there are potential areas where India and the EU can cooperate not only for giving new dimension to their relationship but also in evolving a just, equitable and peaceful international order.

Areas of Cooperation

Both Brussels and New Delhi are committed to the development and stability of Afghanistan and thus, there are ample opportunities for working together. Joint development and reconstruction programme in Afghanistan will be ideal to begin with. In one of the declarations, issued by a head of the state contributing to the UN mandated NATO led International Security Assistance Force (ISAF), it is mentioned that, “we, the nations contributing to ISAF, reaffirm our enduring commitment to Afghanistan’s security and stability, which are directly linked with our own security.”⁶ Stability and elimination of terrorist outfits in Afghanistan is in the interest of India as well. There are ample proofs of that e.g. some anti-India terrorist groups based in Pakistan also get logistic and critical support from warring Afghans factions. Attacks on Indian embassy in Afghanistan were part of a well coordinated plan of these elements. The EU is one of the largest donors to Afghanistan having committed a sum of € 8 billion⁷ and India is also the sixth largest bilateral and the largest regional donor with a pledge of \$ 1.2 billion⁸. This reflects the significance of Afghanistan for both India and the EU where cooperation will only bring positive results. It is disheartening that despite coinciding interests in Afghanistan not much is worked upon jointly by India and the EU, which is not a good sign. Commitment for strategic partnership from Brussels and New Delhi needs to consider joint working plans in Afghanistan.

India and the EU are victims of the international terrorism. There is a necessity for a closer cooperation in anti-terrorist activities, which includes intelligence sharing, working on non-proliferation and working together in war wrecked areas of Africa for restoring peace and stability. In this regard, during the recently concluded India- EU summit held at Copenhagen a joint declaration on terrorism has been issued. As per the joint declaration, India and the EU acknowledged that international terrorism is one of the serious threats to international peace and security. It is also reflected in the declaration that both sides will attach great importance to counter-terrorism cooperation in the framework of the United Nations and share a commitment to universal ratification and full implementation of all the UN Counter Terrorism conventions⁹. This is a relevant document and can prove a milestone in the India- EU relations if given due significance from the duo.

Climate change and sustainable development are other areas where, despite differences over certain matters, India and the EU are committed for green future. India has rightful concerns, where it will not consider any proposal undermining its industrial growth. In this, a mature response is required from the EU side. For time being, it is better that conflicting issues on climate change are kept aside. The two can harness potential in ‘research related to climate change’ and for developing ‘eco-friendly technologies’. In this regard, it is also imperative to implement the bilateral work programme on clean energy development and climate change.

The recent trends of events in West Asia are quite interesting for scholars of international relations. Fall of the Egyptian President Hossain Mubarak can only be the beginning, and similar public protests cannot be ruled out in other countries. West Asia is a crucial source of energy for India, and may be in future for the EU also, because it is world’s biggest importer of energy and is second largest consumer. Presently, EU is widely dependent on Russia, Norway and Algeria for its energy needs but it is attempting to diversify its energy supply and here comes the role of West Asia¹⁰. Emerging democracies in West Asia is a good sign. It needs moral support from the world’s largest democracy as well as from the EU, which is the strongest proponent of democracy. With a rich experience of democracy India and the EU have a lot to offer in West Asia. India and the EU can also play a very vital role in Israel - Palestine conflict and on the Iran issue. Both India and the EU have certain normative commitment in international relations and this might help in resolving some of the complex world problems. If it is unable to do that, then may be it can at least help in easing the situation for some time.

Despite age old relationship with many European countries there is a lack of information about the EU in India. There is a general impression that the EU is a regional organisation. Its main features, functional areas etc. have not been well known to the people of India. Similarly, India in last two decades has undergone massive changes and it offers multiple opportunities to the citizens of the EU. Both India and the EU should invest in improving the people-to-people contact, which would act as a binding force for this relationship in future.

Post Lisbon Treaty Scenario

In 2009, Lisbon Treaty was adopted by the EU. This will change its future projection and role in international relations. There are two very important provisions in the Lisbon Treaty, which are perceived to be relevant for the EU’s international dealings. Firstly, Lisbon Treaty will create a High Representative of the Union for the Foreign and Security Policy. The High Representative is based in the European Commission and chairs the Council of Foreign Ministers of the Union. The second important provision is the creation of a permanent Council President to chair the EU summits for two-and-a-half years and it has a renewable term instead of a six months rotation. This will give stability to the EU’s decision making and would help in more active intervention at the global level. Lisbon Treaty also extends the EU’s role to include disarmament operations, military advice and helping to restore stability after conflict. In the new emerging world order Lisbon Treaty provides relevant guidelines for a surge in the EU’s international activism. There are sufficient areas for cooperation, and with Lisbon Treaty one can hope for better strategic cooperation between India and the EU.

Conclusion

In 2005, five basic components of the India - EU strategic partnership were notified in the joint statement. These are: strengthening dialogue and consultation mechanism; deepening political dialogue and cooperation; bringing together

people and culture; enhancing economic policy dialogue and cooperation in developing trade and investment. In 2008, both sides came up with a revised joint action plan inducting new issues to meet the future challenges. These new issues are: promoting peace and comprehensive security, promoting sustainable development, promoting research and technology and promoting people to people and cultural exchanges. On a careful examination of these components of the India - EU strategic partnership one can find that nothing is left out of the course. What is a prerequisite is that, both sides should pay more attention in building a better relationship to overcome the hurdles. In short, economic partnership will develop further in the future; and similar determination is the need of the hour for enhancing the geo-strategic partnership also.

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