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INDIA AND THE EUROPEAN UNION: STRATEGIC YET DISTANT PARTNERS?

Abstract

Critics often point out that the EU-India cooperation is far below potential targets. One key factor behind this is the tendency on the part of Indian policymakers (often receiving intellectual confirmation and support) to diversify Europe into several categories instead of trying to engage with the continent as a whole. Such tilts could be explained in terms of diversified (and sometimes mismatched) strategic views of global and local affairs. Institutionalising the cooperation through steps like strategic partnership and the proposed EU India FTA could thus only succeed if both sides work together to create a matching and somewhat synchronous worldview.

Keywords: European Union, India, trade, bilateralism, world order

Introduction

While India's engagement with the continent of Europe dates back to pre-colonial and colonial times, the nature of the engagement was never comprehensive. The subcontinent's colonial experience had restricted such engagement between the colonised and the colonisers to certain specific areas, and not very comprehensive in nature. While India since its independence became one of the first countries to establish relations with the European Economic Community (EEC) in 1962, bilateral engagement with the organisation and its later avatar, the European Union (EU) remained at best ephemeral. It has been argued that India's European engagement continued to be dominated by the colonial linkages with the United Kingdom (UK), which explains India's little engagement with the organisation:

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“The ‘regionalistic approach’ of France became the initial guideline of the EU’s development policy, by which Germany in particular as well as the Netherlands had to abide. Since the United Kingdom was not a member of the early Community, it was in no position to defend the interests of its old colonies in general” (Vandenborre 1998: 269).

The institutionalising process of the relationship through annual ministerial meetings, the Summits initiated since 2000 and subsequently, in September 2004, during the Dutch presidency of the European Union, the upgrading process of the relationship into a Strategic Partnership and given a well-rounded policy perspective with a Joint Action Plan in 2005, which was reviewed in 2008 (Mukherjee 2015) have resulted in providing a certain degree of momentum and vitality to the relationship. And yet, it has to be admitted that the relationship remains far below potential. The rest of the essay tries to briefly focus on the reasons and the chances of infusion of fresh vitality into the relationship as part of the new Indian government’s global initiatives.

1. Fading Relevance of Europe?

Recurrent economic crises and political instability has generated considerable Euroscepticism in recent decades within policymaking and academic circles. Theoretical lamentation for the decline was perhaps most succinctly presented in the manifesto of Habermas and Derrida, composed in 2003, which mentioned that the attempts to generate an alternative worldview have been marred by internal latent contradictions like that existing between continental Europe and Anglo-American countries, along with the divergence between “old Europe” and new members (and aspirants) from Central and Eastern Europe (Habermas, Derrida 2003: 292).

For a long time, the European Union (EU) has been regarded as a major normative power in international relations. As one scholar notes:

“Perhaps the hallmark of the EU’s democracy projects around the world has been its emphasis on using soft power (as opposed to hard power, which circumvents diplomacy and dialogue) and civilian involvement in nation-building or democratization. This has allowed it to tailor its agenda to local contexts, and ... allowed it to experience ‘far greater success’” (Sobhan 2009: 8).

Even now, as the organisation is in the midst of its most serious institutional crisis since the 1957 Rome Treaties, the EU still offers a credible alternative model of postmodern governance which favours soft security tools such as trade policy, economic and humanitarian aid, and public diplomacy over the traditional hard tools of military power (Sarfety 2011: 9). This is along with the closest approximation

and retention of the theoretical model of the welfare state, managing to survive the onslaught of the globalised world order. But Eurosceptics, particularly encouraged by the recurrent economic crises plaguing the EU have pointed out the inefficacy and ineffectual nature of the organisation in danger of losing its global relevance. According to one author:

“Asian diplomats quite often refer to the European Union with a mixture of condescension and incredulity. Europe, as they see it, is a spent force, a customs union that never seriously intended to become a global power. They find it strange that Europe seems to be unaware of its reduced status in world affairs and that it has not come to terms with it” (Laqueur 2012: 264).

It has also been argued, for instance, that coherence may be necessary for the EU to exert its influence abroad, but it clearly is not sufficient in a multi-centric world order where many others do not share the EU's collective policy preferences and are ready to deploy vast resources in pursuit of their goals. The tendency of the EU leaders to link the Union's frequent lack of coherence to its frequent lack of effectiveness on foreign and security policy is thus either misinformed or misleading, or perhaps both (Thomas 2012: 472).

The process of Europeanisation of policymaking or of following of the European model, in this context, supposedly includes the following: changes in external boundaries; developing institutions at the European level; central penetration of national systems of governance; exporting forms of political organisation; and a political unification project (Olsen 2002: 923–924). National foreign policymakers will choose to incorporate the EU foreign policy norms, practices and procedures into their policies either because they have become convinced it is appropriate or because they have calculated it is utility-maximizing to do so (Moumoutzis 2011: 624). The perceived decline in terms of hard power, however, has led to the weakening of the EU as a model to be emulated globally.

The EU is often described as an inconsistent actor which, while reiterating the importance of the fight against poverty and the quest for sustainable development in its public statements, continues to perpetuate poverty in the so-called developing world through unfair practices and double standards in some of the most sensitive sectors for developing economies (Fioramonti, Poletti 2008: 171). As another scholar points out:

“The scale of this agenda, of rebuilding the polity of southern states ‘from the bottom up’, is enormous, uneven and problematic but has not prevented donors, the EU included, from institutionalizing these aims in their regimes of development co-operation” (Brown 2002: 190).

It should not be forgotten, however, that the weakening of Europe does not mean its irrelevance in global politics. Europe as a continent, and the EU as its core

organisation, continues to be a major actor in international relations and within global economy. Although Europe represents only 5% of the world's population, it still populates 25% of the world's power networks. In other words, Europe remains a central node in the world (Merand 2015: 11). A developing power like India, thus, has to enhance the level of its engagement with the EU in its efforts to sustain a multilateral global order.

2. India and the European Union

While India's economic interactions with the EU lags far behind in terms of scale and volume in comparison with China, the institutionalisation of the relations reached a take-off point since the upgrading of the relationship status to a strategic partnership. But government level involvement in making the relations more viable is still tardy. Indian External Affairs Ministry, for instance, is yet to have a specific bureau or division dealing with the EU as it is clubbed together with several other countries within the Europe West (EW) Division. The number of Indian diplomats stationed in Brussels is also far less than that of China. The Annual Year Book (2014–2015) produced by the Indian External Affairs Ministry only makes casual reference to the country's burgeoning relations with Europe:

“We share common values of democracy, rule of law and civil liberties with the countries of Western Europe ... India continued its policy of broad-based engagement, deepening and diversification of relations with Central and Eastern Europe” (MEA Annual Report 2014–2014).

In terms of economic relations, while the value of EU–India trade grew from 28.6 billion EUR in 2003 to 72.5 billion EUR in 2014 along with the EU investment stock in India rising to 34.7 billion EUR in 2013. But this is far below actual potential targets. EU policy of targeting Indian exports has also affected the prospects of enhancing economic cooperation.

In 2014, the EU, for instance, banned import of items like alphonso mangoes and vegetables like bitter gourd (*karela*), eggplant (*brinjal*), taro plant (*arbi*) and snake gourd (*chichinda*). Indian efforts to revoke the ban have worked in case of mangoes as the ban has been revoked from January 2015 but negotiations are still on in case of the vegetable import. In 2015, again, the European Union's decision to ban the marketing of around 700 generic medicines for alleged manipulation of clinical trials conducted by India's pharmaceutical research company GVK Biosciences (Business Standard 2015) affected bilateral economic relations. The European Union's ban on

700 generic drug products based on data integrity issues would impact exports worth at least \$1 billion from India, according to the Pharmaceutical Export Promotion Council of India (Pharmexcil) (Business Standard 2015). The Indian government is toying with the option of appealing to the World Trade Organisation (WTO) against such a ban. The EU-India bilateral differences over generic drugs are not new. In 2011 for instance, some of the EU Customs authorities, mainly from the Netherlands and France, confiscated several Indian off-patent generic drug consignments headed for Brazil via European ports and airports over alleged infringement of EU intellectual property rights (IPR). After India voiced protest, the EU members agreed not to seize Indian medicines passing through Europe (Economic Times 2015).

With such problems, there should be little wonder that the negotiations over the EU-India Free Trade Agreement (FTA) have not progressed, even though it was launched in 2007. The negotiation process became stalled after 15 rounds over key differences since 2013. The present Indian government has recently shown its willingness to adopt a “flexibility approach”, which generates promises to re-start negotiations over the stalled FTA (Seth 2015). It has been reported that New Delhi has expressed willingness to accommodate the EU’s demands for lowering of duties on wines, spirits and automobiles, provided Brussels relents to grant India “data secure nation” status besides facilitating easier movement of skilled Indian professionals in Europe (The Indian Express 2015). The EU ambassador in India Joao Cravinho has also expressed hope that the FTA deadlock would be broken soon and negotiations would be resumed (Ramachandran 2015). Two areas which are being looked upon as potential areas are the prime minister Modi’s plan of creating hundred smart cities in India and the launching of the “Make in India” campaign to facilitate business and foreign investments and cut red tape (Khandekar 2015). During prime Minister Modi’s recent trip to Europe, important deals have been signed with Germany and France. Greater EU involvement could lead to the participation of other smaller members of the EU in the negotiation process.

It has been argued that what causes bilateral trust-deficit are considerable difficulties in comprehending the essential character of the EU leading to an information deficit as most Indians confront the “3 Ds” – distant, difficult, different – in trying to understand a complex entity like the EU (Jain, Pandey 2012: 333). As another analyst argues, the “Indian policy makers and analysts remain sceptical about Europe’s role in global affairs. As a result, they have not bothered to use European capacities to promote their own interests through this partnership (Sachdeva 2014: 427). Several Indian policymakers also have complained about the preferential treatment meted out to China in comparison with a democratic country like India. While Europeans aspire for a multipolar world, they seem to endorse Chinese views of

a unipolar Asia, and not a multipolar Asia (Jain 2009: 142). India, on the other hand, accords greater importance to the United States than the EU because as the principal foreign policy interlocutor it is perceived as having the biggest impact on our national security environment (Jain 2009: 143).

Bilateral issues with individual countries like Italy over the case of detained Italian marines also have tended to affect overall EU-India relations. Former Italian foreign minister Federica Mogherini, the EU's foreign policy head, took a leading role in being critical of India and commented in the European Parliament: "it's good for everyone to be fully aware of how much of an impact the unresolved dispute of the two Italian Navy officials can have on relations between the EU and India. It is putting them to the test" (Pubby 2015). It could be insinuated that such critical build-up played a leading role in the postponement of the EU-India bilateral Summit proposed in March 2015. The Indian proposal to hold the Summit as a part of the Indian Prime Minister Modi's tour in Europe had to be cancelled as the EU could not confirm dates leading to the postponement of the Summit.

Conclusions

India has not been treating the EU as the priority partner, and the decision to launch the strategic partnership has remained largely declarative instead of shaping India's international strategy in the post Cold War period (Goralczyk et. al. 2013: 596). To an extent, India's low prioritisation of Europe was on expected lines. One analyst, writing about one year back when the Modi government had just assumed power, commented:

"The stark absence of any reference so far to relations with Europe cannot be read as a simple oversight. While relations with some EU member states, like Germany, France or the UK, will eventually be picked up by India, faltering relations with the EU look likely to dwindle further" (Khandekar 2014).

One cannot expect any dramatic overnight change. But with common beliefs in sustaining a multilateral global order along with protecting democratic institutions, India and the EU should make efforts to sustain and enhance bilateral engagement, which would strengthen their own positions within the global order.

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