

# **IPCS** **SPECIAL** **REPORT**

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## **The EU-India Partnership Summit 2005** **AN ASSESSMENT**

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# THE EU-INDIA PARTNERSHIP SUMMIT 2005 AN ASSESSMENT

Report of conference organised by IPCS & KAF on 10 September 2005

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The panellists included the Ambassadors of Germany, European Union and the British High Commissioner to India. Mr. Shyam Saran, India's Foreign Secretary released a book titled, *NATO and European Dialogues with India*, a joint publication of the IPCS and KAF. The focus of the discussion was on the high point of the sixth summit, the finalizing of the Joint Action Plan. It would be a comprehensive roadmap to strengthen the strategic relationship between the European Union and India. The discussion endeavoured to provide another forum to discuss the finer aspects of the Joint Action Plan and the Political Declaration adopted at the summit and provides an opportunity to scholars and academicians to pose questions to the speakers who played a significant role in the success of the summit.

## **FRANCISCO CAMARA GOMES**

*European Union Ambassador to India*

The sixth EU-India Summit has been a big qualitative leap forward and can be termed as 'work in progress.' India and EU agreed to become strategic partners at the fifth summit at The Hague. The sixth summit successfully addressed the objectives and the mechanisms to be adopted to attain these objectives. Its main outcome has been the formulation of a roadmap through a Joint Action Plan. The challenge ahead lies in its implementation. The plan covers a wide range of issues such as political and cultural cooperation, trade and investment.

As the largest democracies in the world, India and EU not only have common goals, they can also become a force in bringing stability, peace and prosperity to a multipolar world. This is the objective of a

Joint Action Plan. It speaks of the two countries' commitment to jointly combat terrorism and organized crime, facilitate academic exchanges such as Erasmus Mundus, increase civil society exchanges, economic policy dialogues, science and technology initiatives and undertake peacekeeping and peace building. The implementation, coordination and monitoring of these issues would be challenging.



The ITER nuclear fusion project is one such issue of cooperation. It is a promising programme and India's partnership and contribution to the programme is welcome. In this context, the signing of the framework agreement on Galileo is another milestone. The Galileo Satellite Navigation System is a new worldwide satellite system comprising 30 satellites meant for civilian purposes and will be operational by 2008. With the agreement being initialized, India's participation in the project will be discussed. It is a sophisticated agreement and negotiating the details was a complicated process. It is in the interest of all parties, including India to protect the technology from disseminating. The agreement is also important, as it will strengthen cooperation to ensure a consensus needed to make the Hong Kong WTO Ministerial Conference a success.

Liberalization has increased the need for market access since the production process is multilateral and multinational, while markets are concentrated in certain regions. The Joint Action Plan has made an important breakthrough on the issue of trade and investment. A high-level trade group will be established to study and explore the scope for a possible investment agreement and ways to increase bilateral economic flows. Looking back, it would be appropriate to say that the Sixth Summit has built a coherent framework to attain the potential of partnership and cooperation between the two countries.

### MICHAEL ARTHUR

*British High Commissioner to India*

The context to the EU-India Summit has to be seen in the increased Indian engagement in the major international debates and the European Union's expansion of its international engagement.



The last summit at The Hague stressed the need for a change in how the European Union works with India. The trade links between the two countries have always been intense. European Union is India's largest trade partner. The purpose of the summit was to put this relationship on a strategic level. The Joint Action Plan as well as a Political Declaration provides the core to the EU-India Strategic Partnership. The latter enumerates the policy areas where the two countries are committed to work together. Together they emphasize on two aspects of the working relationship. First, the political and strategic and secondly the economic relationship.

The most important issue addressed in the Joint Action Plan is terrorism. Both sides agreed on the need to proscribe it and combat terrorist financing. A security dialogue on disarmament, non-proliferation and other global and regional security issues has also been agreed upon. Other issues of agreement included the recognition of the importance of multilateralism, U.N. reforms, working together and sharing expertise on peacekeeping and peace building. In an era of globalization and liberalization of services, there will be a large flow of people. The issue of migration needs to be addressed by both the sides.

There are largely four areas of importance now. First is the development agenda. The European Union is committed to cooperation with India in the areas of health and education, which is at the heart of its rural economy development agenda. Second is the issue of terrorism. The third area includes environment, energy and technology. India and EU will launch an initiative on Clean Development and Climate Change with the aim of promoting cleaner technologies and their use. There is potential to cooperate on the energy front beyond ITER and nuclear energy in developing efficient, cleaner and alternative energy sources. The fourth area involves collaboration and cooperation at the Hong Kong WTO Ministerial Conference. On the economic front, the role that research and development can play in the economic development of India and Europe needs to be highlighted.

An important concern for the Europeans is the lack of perception among Indians on what the European Union signifies. The visibility of the EU beyond government-to-government links of the member states is an important agenda for the EU. Here, in the wider context of the EU-India relationship, attention needs to be directed to the internal processes at work in Europe. The Lisbon Agenda is part of an economic modernization effort across Europe. The debate on the EU Constitution is a part of

its visibility concern. It is in a deep reflection phase about how it wants to interact with the wider world, a rising Asia and the new global economy. Yet the deadlock on the Constitution does not signify a crisis. Another challenge is the enlargement agenda. Bulgaria and Romania will soon join in. The negotiations with Turkey will be a part of looking not inward but outward. Another issue is the internal budgetary debate. This also involves sorting out Europe's agricultural regime. It is in India's interest that the European Union solves this, as there is no five year forward looking budgetary framework under which India can be provided with development assistance. As a union of 25 countries and more, the European Union would take time to meet its commitment. It would be complex for India as a negotiator and partner, but it is in its interest to develop a strategic partnership with the Union.

### SHYAM SARAN

*India's Foreign Secretary*

The uniqueness of the strategic partnership with the European Union lies in the Joint Action Plan. This has not been replicated in any of their respective relationships with other countries. The commitment to move on from the partnership commitment at The Hague to a concrete agenda is unique. From the Indian perspective, both the European Union and India are multiethnic and pluralistic democracies and can reinforce each other's commitment to this pluralistic democratic ideal. The two sides are like two poles of stability with a whole arc of instability in between. This creates a sense of facing common challenges. They share common concerns and concurrence on issues such as events unfolding in Iran, Iraq and post conflict reconstruction in Afghanistan.

Certain issues need to be addressed in this evolving relationship. Economics and trade are important areas for the two sides. The Europeans fear a threat to their economic interests from the rise of India and China. Outsourcing and low cost service industries

should not be looked upon with suspicion. Equating India with China is fine as long as it is not seen as a threat to its employment structures. It is unfair as EU's trade with China is 12 per cent as compared to two per cent with India. As the EU-India economic relationship develops, the challenge will be to keep Europe open by dealing with non-tariff barriers and other trade defence mechanisms. The negative opinion should be changed and India should be seen as a source of adding competitive strength. India's strengths and its wide range of skills can complement the European needs, for example in the Information Technology sector. Another issue is of the European concern on the number of migrants coming to the region. Compared to India, the number faced by Europe is small and the Indian response has been less paranoid than of the Europeans. Otherwise, India has effective mechanisms to deal with its migrant problem.



On the question of terrorism, there is a need for a frank and honest dialogue. The effectiveness of cooperation on proscribing terrorism and its sources of finance will be hampered by a difference in perspective. Environment and climate changes concerns need further discussion. An EU-India initiative has been adopted to address this concern. In context of the concerns addressed in the Kyoto Protocol and the United Nations Convention on Climate change, countries that are the actual source of harmful gas emissions need to make a beginning. India's problem is the under-utilization and under-consumption of commercial energy. This is a big constraint on its development. The willingness of Europe as a collective to engage India in

civil nuclear energy cooperation beyond the ITER is important in ushering in energy security. Concluding the observations on the present summit, it is appropriate to say that the quality of the present dialogue between the two sides is unprecedented.

### HEIMO RICHTER

*Ambassador of Germany to India*

The real test of the Joint Action Plan lies in the degree of its implementation. The action plan is important to the European Union members on an individual basis too. It needs to be mentioned that it is vital for the European Union to be taken seriously by India when it is fighting the image of being 'an economic giant but a political dwarf'. The issue of visibility is important and critical to it when it is a significant force at international fora due to its numbers.



There has been a rising perception, especially in the media of the 'rise of India and the decline of Europe'. This is a misperception and the facts suggest otherwise. Economic reforms, similar to that carried out in India are underway in the European Union and individual member countries too. In Germany, the election debate centres on the reforms process. The situation 20 years ago must be considered to appreciate the significance of the European Union. A Europe without the European Union does not make much sense. Another important element in this regard is the EU expansion, with new members coming from the eastern and middle Europe. An evolving process is going on in the region with all its difficulties. Therefore,

it is right to say that there are two rising entities, India and the European Union.

Contrary to the Indian Foreign Secretary's exhortation on the isolationist tendencies in Europe, the concern there in this regard is not so strong. Both India and the European Union recognize the implications of globalization. The significance of 'complimentarity' is recognized, as the Indian market is being checked out to improve competitiveness. On the migration question, it has to be understood that there was a huge movement of populations from other civilizations in to European countries in the 20<sup>th</sup> century. The success rate of integration has been mixed. It has to be noted that Europe is moving despite difficulties and is rising, leading to concrete results. The degree of commonality on foreign policy issues among the 25 states is remarkable. All members have unanimously backed the Iran policy. In conclusion, it would be apt to give a name to the present EU-India engagement. The Joint Action Plan should be seen as an EU-India endeavour to 'shape the future together'.

### QUESTION AND ANSWER

*Question:* It was mentioned that both India and the European Union are pluralistic democracies. There has been a huge democracy deficit in countries in this region such as in Pakistan and Nepal. It has affected India's security and development. Has the EU-India Summit debated this issue and is there a scope for the European Union playing a role in strengthening the democratic process beyond India's borders in these countries?

*Answer:* India and the European Union are plural democracies in their unique ways. India is a sovereign country comprising 27 states and has decentralized power to them. The European Union will soon be comprised of 27 countries, which will be devolving upwards. In addition, countries like Britain are giving in to the system of three tiers of democracy. As regards the question, the European Union will not



involve in democratizing India's neighbours. It will be involved with India and other democracies in addressing issues of democracy like the challenge of integrating the large number of people migrating from different cultures and civilizations in our democratic societies. This is the basis of the challenges that will be faced. On the issue of migration, as Europe opens up its borders, illegal immigrants can exacerbate tensions. Each country has its own way to charter its course to development.



*Question:* The India-United States civil nuclear energy cooperation agreement will be presented before the U.S. Congress and would be followed by the Nuclear Suppliers Group meeting. There have been positive indications from both Britain and France on the matter. What is the European Union and its members take considering the burgeoning Indian needs for energy?

*Answer:* The background is the bilateral issue of civil nuclear cooperation between the United States and India. The wider international context for it is the Nuclear Suppliers Group, which is not coterminous with the European Union. The European Union is clearly committed to securing India's partnership to the ITER nuclear fusion project, though it has to be worked out with the other members.

*Question:* It is established that the European Union is still there and fighting. However, it appears as far as common issues between the European Union and India are concerned, the European Union is waiting for a signal from somewhere on

issues such as terrorism, the Iran gas pipeline and civil nuclear energy cooperation. In the context of Africa, the Indian role in the United Nations' missions has been mentioned. This also includes Pakistan's and Bangladesh's contribution. However, just as NATO has its area of operations and interests, India is not able to go to a region where its interests and concerns lie.

*Answer:* The European Union is not waiting for a signal to make a start. The cooperation with India has already been existent and has not just begun. The commitments made in the Joint Action Plan are taking the shape of pacts and there is a qualitative increase on this front. As far as the strategic approach to energy cooperation is concerned, there has already been an exchange of information taking place. Again, this has been dealt with in the Joint Action Plan. In Africa, the role of India and the multinational forces is duly felicitated. Europeans too are involved there, and in case of Sierra Leone, the British peacekeeping force handed over the command to their Indian counterparts. It is definitely a joint effort. One important commitment in the Joint Political Declaration between the European Union and India is to work together on peacekeeping and peace building. On the military aspect, the European Union collectively does not undertake joint operations, but efforts are being made to coordinate it on certain issues. The military aspect is the latest, newest and most tentative step in the European construction that is now underway.



*Question:* Has the European Union, especially the European Three, been unfair to Iran on the nuclear issue. Despite the license given by the provisions of the Nuclear Non-proliferation Treaty, it has been made clear to Iran that if it goes ahead with its uranium enrichment programme it will be penalized.



*Answer:* Iran is a signatory to the Nuclear Non-Proliferation Treaty and needs to respect its ideals. The European Three and especially the European Union does not dispute and is ready to facilitate its civil nuclear programme. The type of processing in which Iran is involved, is according to the international opinion not compatible with its civil nuclear programme. The European Union is willing to guarantee its civil nuclear programme, which will be compatible and legitimate under the NPT. The problem lies in Iran's ambitions lying beyond the scope of such a programme. The European Union believes in standing by the principles and rules of the NPT.

*Question:* The EU and India have taken 11 years after the 1994 cooperation agreement to embark upon a strategic partnership. This is a welcome move. On the issue of cooperation on combating terrorism, what will be the status of EU Counter Terrorism Coordinators within the European Union itself?

*Answer:* Over the years, there has been cooperation in Europe between the national terrorist and individual terrorist authorities for operational work. But now, there is an effort to moot a cooperation mechanism at the European level by establishing a clearing house and a

platform where information and ideas on how to combat it can be shared. Thus, a cohesive European structure to confront the problem that transcends frontiers is ongoing though it is in its nascent stage.

*Question:* How would the European agenda differ in strategy from the United States methods of counter-terrorism?

*Answer:* The international framework for this comes from the United Nations. There is a separate nexus of links existing through the G-8 process. The mechanisms adopted are the same all over, though some threats are unique to certain regions. With India, the cooperation on this front will cover which terrorist group needs to be banned and how. It is a global problem with various regional perspectives.

*Question:* Will India's bilateral relations with countries in Europe be isolated from its overall relations with the European Union. Will the visibility of the European Union be dwarfed by the primacy given to its more important members such as France, Britain and Germany, who have been important players in the global politics for the last four hundred years?



*Answer:* India's relationship with the European Union is not a sum of its parts but much beyond. The significance of this relationship lies in the fact that the European Union is a cohesive entity of 25 states that have become a strong economic force. The bilateral relationship that India has with its members is not subsumed by this powerful entity. It rather complements it. The EU is crucial to India, as it is the union that deals with economic and trade

issues. On the question of visibility, there is room for both the European Union and its member states to coexist.

## CONCLUDING REMARKS

### **Dipankar Banerjee**

*Director of the Institute of Peace and Conflict Studies*

The Konrad Adenauer Foundation and the Institute of Peace and Conflict Studies take this opportunity to release their joint publication titled, *NATO and European Dialogues with India*. A dialogue with the civil society and other institutions in the European Union is as important as an official relationship. This book has been successfully able to reinforce this notion. A record of such dialogues is important beyond academic purposes to trace and identify the commonalities and differences between the two regions. Mr. Shyam Saran, India's Foreign Secretary, will release the book.

### **Jorg Wolff**

*Resident Representative to India of the Konard Adenauer Foundation*

The role of a German organization in promoting views and perceptions from the European Union has significant reasons. Konard Adenauer, after whom the

organization is named, was one of the important founding members of the European Union. Without the impetus and decisiveness of Helmut Kohl, a board member of the foundation, the European



Union would not have reached its present heights. The Foundation has been active in promoting dialogue between India and the European Union. It will be organizing in the coming months a dialogue on India, European Union and the Unites States at Brussels and on India, China and Germany in Beijing. The book released today is a step forward in engendering understanding between the two sides and NATO.