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How can India and the EU expand their relationship from its current economic dimension to a broader, security-based dimension? Why is this not happening in spite of expressed willingness and the potential prospects in terms of democratic performance and complementarities? Is there a lack of frank dialogue on sensitive areas, or is there a more general lack of mutual understanding? How long does it take for entrenched perceptions to change? What are the relevant synergies still to be identified that could trigger more cooperation across the board? Should experts and policymakers concentrate on traditional security threats, or is it better to initiate and pursue cooperation on non-traditional ones? Should India and the EU emphasise bilateral or multilateral forms of engagement?

These questions were at the forefront of the third India-EU Forum. During its three years the Forum has indeed contributed to shaping the agenda between the two entities and has helped deepen dialogue at the highest level, but the predominant opinion among the organisers is that no substantive upgrading of India-EU relations has taken place over the last few years. Even if the Free Trade Agreement (FTA) becomes an essential building block of the Strategic Partnership, the relationship cannot be made dependent on it; less so can it be blocked until it is finally achieved. Since the potential of the Strategic Partnership is far from being fulfilled, the third India-EU Forum adopted a broad scope in defining the topics under discussion while allowing for specific detailed proposals to be made with regard to each topic.

The present report merely offers a complementary overview of the ideas put forward during the Forum, outlining also the issues which should be explored as areas for future cooperation between India and the EU. The report is necessarily brief, since Indian and European experts taking part in the Forum have been asked to elaborate their presentations in light of the debates, and they will be published by the organisers in due course.

I. General advantages and obstacles to enhanced cooperation

Both India and the EU belong to a multilateral order founded on the projection of democratic principles. Both have traditionally contributed substantially in areas such as peacekeeping under the UN flag, and are now facing new threats such as counter-terrorism, counter-piracy and cyber security in the same vein. India is now launching its own foreign aid agency, which opens new avenues for exchanging views and lessons learned. Africa has always been one of the focal points of EU external action; now, it is now seen as India's main area of expansion beyond its own region. When it comes to regional cooperation, the fact that the South Asian Association for Regional Cooperation (SAARC) has been incapable of translating rhetoric into action also offers possibilities for grounding cooperation, even if the EU integration process is not admittedly at its best.

India and the EU can be considered 'natural' partners in international relations, but are often driven by divergent geopolitical considerations and regional interests. Both India and the EU build their foreign policies on the basis of the aspirations of citizens, which makes it more legitimate but also entails a series of constraints. They are both especially keen on their respective privileged – if not always simple – relations with the US which also pose certain unintended difficulties for building bilateral relations between the two. In certain cases, the EU is viewed by India through the prism of NATO and thus is sometimes seen as interventionist. This is problematic even for basic maritime cooperation in the Indian Ocean, but no effective alternatives are offered by India when it comes to implementing R2P. Some other issues and misperceptions are directly connected to each other's international goals and positions, from India's claim to a permanent seat in the UN Security Council (the EU's lack of internal consensus on the matter doesn't help) to the EU requesting more real commitment to multilateralism from India (whose enormous poverty challenge should be seen as a constraint despite of its obvious economic success).

India is considered by the EU Member States as an emerging global actor, yet it is still a recipient of aid. Perhaps its time as an aid recipient should come to an end. Some analysts are indeed claiming for a new type of cooperation: business with emerging India, which is recognised as a middle-income country. The EU, with all its weaknesses, is convinced of the prevalence of soft power, which in the case of India entails such things as the transfer of technology.

The current financial and economic crisis the EU is suffering from may paradoxically offer opportunities for a better understanding. As it was recalled in the concluding session, there is perhaps a chance that both India and the EU can build on their respective weaknesses. There has been discussion in the EU recently about how the BRICS might help the EU out of the economic crisis; some analysts are already warning that Europe's commitment to multilateralism and multiculturalism, and even to human rights and democracy worldwide, is weakening in the midst of the crisis. India, for its part, is effectively rising, but certain basic values are still too abstract for its citizens on a daily basis. But it is still seen by the EU as a target development partner. India may seem at times unconcerned about deepening its relations with the EU, but it may well be that it is not interested in a more 'introspective' EU.

In this context, both entities are experiencing a drastic, and parallel – but of course different – transformation of their foreign policies: the EU regarding its need to fulfil the requirements of the Lisbon Treaty, and India regarding its increasingly prominent role in the world. They could indeed reinforce one another by making their Strategic Partnership worthy of its name. The problem is perhaps, as was recalled during the inaugural panel, that neither India nor the EU are, at the end of the day, 'strategic' international actors themselves.

II. Proposals for cooperation at the bilateral and multilateral level

1. TRADE AND ECONOMY: BILATERAL EXCHANGES AND COOPERATION ON THE GLOBAL STAGE

India and the EU often follow different paths regarding trade and the financial and economic order more generally. Trade between the two has been growing consistently – with the exception of a small dip in 2009-10 due to the economic crisis. India's trade, though, has been growing faster with other countries. India's aim is to double its percentage in the share of global merchandise trade within the next five years. Concerning Foreign Direct Investment (FDI) in India, 40 percent of it comes from the EU. There is a marked level of concentration in FDI in two different senses: 70 percent of EU foreign companies operate in Delhi, Mumbai and its surrounding areas, while 80 percent of EU companies are from 8 Member States.

There are still pending issues in this field between India and the EU, mainly affecting negotiations towards the Free Trade Agreement (FTA), particularly the allocation of benefits of the tariff reform, and data-sharing. Progress in addressing them has been slow, especially given the India-EU confrontations during the WTO negotiations. Indian experts fear now that the crisis in the eurozone complicates pushing the FTA further.

Issues of multilateral relevance to be explored bilaterally:

- At the multilateral level, there is scope for cooperation between India and the EU within the G20, precisely considering that key decisions are taken by the US and China. Issues of potential cooperation between the EU and India within the G20 agenda include food and agriculture,

particularly food supply chains, bio fuel production and the impact on food substitution, technology transfer and best practices on the use of water

- Through this connection, but going beyond the G20, there is scope to create a framework that allows for sustainable economic growth based on an educated labour force, access to education, and access to resources, particularly electricity.
- Cooperation between India and the EU could focus on Africa in order to establish a sort of trilateral cooperation scheme taking into account the 'proximity effect'. Apart from obvious areas of cooperation, the 'population factor', and in particular Africa's demographic boom, should be explored as Africa will overcome China and India in terms of labour force – India's experience in migration is useful for Africa and thus for the EU.

2. DEMOCRACY AND DIVERSITY: MUTUAL LEARNING BUT DIFFERENT FOREIGN POLICY IMPLICATIONS

India and the EU have shared a vision on democracy and multicultural governance, but they do not necessarily share the same approach when it comes to promoting these views worldwide. Democratisation is, however, a trend in the international community – most recently in Burma – and both India and the EU welcome this evolution. Both have indeed contributed to it as models of composite democratic entities that have been able to reconcile unity and diversity.

Facing new and enduring challenges is common to all democracies. For instance, there is often a growing disconnect between citizens and political elites due to the increasing difficulties of governments to deliver, but also due to a lack of internal democracy in political parties. There are also setbacks, especially in Europe these days, regarding the evolution of multicultural societies. In general terms, India has reconciled multiculturalism by avoiding radical religious practices, showing that multicultural societies help overcome intolerance in spite of occasional riots and frequent disturbances. The EU has developed policies and models that have proven adequate to achieve a certain redistribution of wealth and preserve a social welfare state, even though the present crisis represents a serious challenge to internal cohesion and inclusiveness.

At a more technical level, there are possibilities for exchanging experiences that help improve democracy. India is in the process of establishing a biometric identification system (UDI system) to help fight against identity fraud – a system already in place across the European Union. These systems are crucial in enhancing the mobility of migrants, as well as in triggering a number of measures against fraud, illegal immigration and terrorism. Also, and perhaps most importantly, it offers statistics on the needs of the population, but not without controversy regarding the caste census.

Issues of multilateral relevance to be explored bilaterally:

- Recent developments in the southern Mediterranean and the Gulf offer an extraordinary opportunity for India and the EU to work together, in spite of fundamental disagreements on how the intervention in Libya has been implemented by NATO (but not on the need to apply the principle of R2P) and other issues on the table at the UN Security Council, such as sanctions against the Syrian regime or the status of Palestine. India's democracy is seen as a model in Egypt, where its challenges are not entirely different to those India faced when drafting its own constitution. The EU can also provide support and expertise so that Arab countries find their own way towards democracy.

3. CENTRAL ASIA AND PARTICULARLY AFGHANISTAN: LACK OF COORDINATION EVEN IN VIEW OF DIFFICULT TIMES

The future of EU-India cooperation should be seen in a wider geographical context, starting with Central Asia, including for instance Iran. But the test is still Afghanistan, since there are only good reasons for working together on the civilian dimension of crisis management. The EU is interested, or so it manifests, in coordinating its assistance with India, which is the most important donor in the region – if only to be more 'visible' in the midst of a predominantly military operation. India is concerned with the post-withdrawal phase in Afghanistan, taking into account weak governance and increasing insurgencies. At the EU-level, however, there is a certain fatigue regarding Afghanistan, which is connected to the overwhelming – but perhaps misleading – military efforts that EU Member States have undertaken over the last decade.

The EU's contribution to Afghanistan is mainly economic development linked to governance, security sector reform, police and the rule of law. Due to the uncertainty of the transition, the idea is to focus even more on the civilian aspects of reconstruction and peace-building as a means to manage the transition from a military to a civilian administration. Even if acknowledging that any sustainable solution needs to be substantially local, India can play a role as a provider of regional security and is keen to prevent radicalisation from threatening regional stability.

Issues of multilateral relevance to be explored bilaterally:

- India, which is playing a major role in Afghanistan by itself, could work alongside the EU on strengthening the political aspects of co-operation, including training civil servants and the establishment of a joint curriculum.
- Exploiting mineral resources in a way that directly and substantially benefits Afghan populations seems to be an area that allows for cooperation between China and the EU – also considering that China is already investing heavily in this area. Progress in the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, which of course remains dependent on the situation in Afghanistan, also offers potential scope for cooperation.

4. MARITIME COOPERATION AND COUNTER-PIRACY: THE CASE OF THE INDIAN OCEAN

The Indian Ocean, and particularly the Gulf of Aden, is crucial in terms of energy routes and thus control of the most relevant sea lanes of communication. Sea-based commerce is central to both the economies in India and in Europe, but there are associated threats such as drugs and arms smuggling, but cooperation is extremely difficult to achieve precisely for those reasons. The magnitude of the challenge is huge as piracy attacks continue to increase despite most internationally relevant states being present in the area, with the accompanying game of prestige and reputation. But other powerful non-state actors are intervening as well: insurance companies, banks, money launderers, and migrants.

The interest of both India – for obvious reasons – and the EU (90 percent of whose external trade is seaborne) is paramount, as reflected in the launching of operation Atalanta (EUNAVOR Somalia) and the deployment of Indian warships in the area since the end of 2008. However, officially declared cooperation under the Shared Awareness and Deconfliction (SHADE) programme does not entail substantial cooperation between the two, not even in information sharing, although there is at least dialogue.

Issues of multilateral relevance to be explored bilaterally:

- Since it is easier to capture pirates than to prosecute them, India and the EU have a legitimate interest in the development of schemes that allow for the latter both at the regional and the international level.
- Interoperability and maritime multilateralism could be developed for the benefit of both, particularly taking into account that the Indian Navy is the third largest in Asia after China and Japan. As a complement, space cooperation should be explored in connection to maritime security.
- Policing the water is only attacking the consequences: there is a need to tackle the root causes of the situation in Somalia. The EU is a major development partner in Somalia, and the EU has trained Somali soldiers in counterterrorism in Uganda.

5. OTHER NON-TRADITIONAL SECURITY AREAS FOR COOPERATION

According to some experts, non-traditional security remains the area where it will be easier to negotiate differences between India and the EU. The expansion of the concept of security, which should not entail a securitisation of new areas of cooperation, is in fact population-centric and thus reflects the views of democratic states. The line between traditional and non-traditional security is however getting blurry, which entails a risk of looking at social and economic problems through security lenses. It is probably wiser to think of a holistic view of foreign policy, which incorporates security and allows for a perspective based on a balance of interest rather than on a traditional balance of power.

Issues of multilateral relevance to be explored bilaterally:

- All major challenges that the international community is facing today are deeply interconnected. Human development is to a great extent dependent on access to energy, whereas prevention of climate change calls for natural gas substituting coal, which in turn requires the completion of projected pipelines and thus has traditional 'geopolitical' implications. India and the EU can develop an expert framework for jointly analysing the implications and interconnections of these problems.
- As one of the most acute problems in this context, access to water is also a major ecological problem, and may become a regional security problem in the relations of India with its neighbours, which indeed demands cooperation. Among the 'new' geographical areas of common interest which are particularly important from this perspective, the Arctic and Tibet merit special consideration.
- India and the EU should jointly reflect on major problems of multilateralism and global governance, particularly in relation to the ones outlined by PM Singh in his discourse to the UN General Assembly last September, namely the revision of the Bretton Woods institutions and issues linked to the deficit in global governance, including the need to reform the UNSC.