NEW DISCOURSE

• The New Discourse is more Emotional
WHY IT'S TIME FOR AFRICA

- Once Dark Continent but now the continent of hope.

- Africa is a young continent determined to change its destiny, more stable and confident.
WHY IT'S TIME FOR AFRICA

INDIA AND AFRICA
INDIA AND AFRICA

- After decades of benign neglect, India is once again revitalizing its linkages:-
1. China much before India (almost a decade ago)
2. Big difference (almost two times in terms of trade and investment).
HOW INDIA SHOULD LOOK AT PRESENCE OF CHINA IN AFRICA

1. There is no need for elephant to fear from dragon.
2. In one way Chinese presence is good because it energises India.
HOW INDIA SHOULD LOOK AT PRESENCE OF CHINA IN AFRICA

3. India needs to work on its own comparative advantages, neither possible nor desirable to imitate China.
1. India's Soft Power- Its role in African Liberation but continuous repackaging it's required so that it does not get out of the minds of new generation.
INDIA'S COMPARATIVE ADVANTAGES

• 2. Geographical Advantage
INDIA'S COMPARATIVE ADVANTAGES

• 3. Indian Diaspora - No other country has such large person as of Indian origin.
INDIA'S COMPARATIVE ADVANTAGES

• 4. India has built huge soft power because of its role in peacekeeping.
• 5. Indian peacekeepers as well as persons of Indian origin have shown remarkable skill to get integrated in the African society.
INDIA'S COMPARATIVE ADVANTAGES

• 6. Indian ocean makes us interdependent and the coastal countries look at India for their security.
7. India has what Africans needs, i.e, an expertise in capacity building, IT, Telecom.
8. India's advantage is its vibrant Public Sector.
9. Huge compatibility as far as goals at WTO climate change.
INDIA'S COMPARATIVE ADVANTAGES

• 10. India has ability to work with like minded countries like Japan.
11. Chinese method has been considered as unattractive and non sustainable.
INDIA'S COMPARATIVE ADVANTAGES

• Thus India needs to continuously maintain its momentum. This is the best time and Africa is looking towards India.

• The Annual meeting of African Development Bank confirm their interest in more connections with India.
According to report of FICCI-Africa is the best opportunity to display India's soft and hard power and according to president of African Development Bank, India is a developing beacon for the rest of the world and time is right for India and Africa to form the winning partnership.
According to Harsh Pant India's approach towards Africa is moving from Idealism to Pragmatism.
INDIA AND LATIN AMERICA

- The last Frontier of India's foreign policy.
- When we look from New Delhi, our vision does not reach to Latin America, Geography has always been a barrier.
- However geography is not the barrier rather psychology or Indian attitude that is the problem.
INDIA AND LATIN AMERICA

- Had Geography been barrier, China would not have been present.

- Since Latin America was out of sight, it also went out of mind.
Though we do not have geography solutions but we do have historical linkage.

India and Latin America share the colonial past.

Both of them started their journey as independent and nations from the state of underdevelopment.
EVOLUTION OF RELATIONS

- We have common goals to challenge imperialism neo-colonialism and advancing the cause of development.

- Initially India and Latin America engagement was limited to UN general assembly and on platform of NAM.
EVOLUTION OF RELATIONS

- During cold war era, neither India was priority of Latin American countries nor Latin America was priority of India.
- India's economy was inward looking, we were able to fulfill our energy needs from gulf, the political and economic environment in Latin America was not encouraging.
EVOLUTION OF RELATIONS

- Hence India and Latin America meetings at the platform of Non Alignment Movement were empty rhetoric.

- There were very few high level visits.
- Though Rabindranath Tagore visited Latin America (Mexico) in 1924.
EVOLUTION OF RELATIONS

- Though Pandit Nehru also visited Latin America (Mexico) in 1961.
- Indira Gandhi visited four Latin American countries in 1968.
- After the end of cold war, Latin American was out of focus.
EVOLUTION OF RELATIONS

• For the initial years there was no high level bilateral engagement.

• The biggest priority of India was improving relations with neighbours both immediate and extended (look east policy).
EVOLUTION OF RELATIONS

• However at this time China had registered its strong footprints in the region.

• Gradually New Delhi also realize to diversify its Energy Relation
EVOLUTION OF RELATIONS

- It is to be noted that even in case of Latin America the credit for establishment of linkage goes to India's private sector.

- Unlike the usual phenomena of “Trade Follow Flag” here “Flag Follow Trade”.

EVOLUTION OF RELATIONS

• Indian private sector has opened its commercial enterprises in pharmaceutical, IT, farming and mineral exploration.

• Unlike Chinese enclave, Indian companies have provided employment as well as training and skill development locals.
EVOLUTION OF RELATIONS

• Like in case of Africa, there has been sentiment against extractive Chinese policies in Latin America.

• In 2010 Inter-American development bank has published a report title “India -Latin America next big thing”
THE COMMUNITY OF LATIN AMERICAN AND CARIBBEAN STATES (CELAC)
COMMUNITY OF LATIN AMERICAN & CARIBBEAN STATES (CELAC)

- The first pan Latin American organization.
- Held its first outreach summit in New Delhi in 2012.
- They show that Latin American countries are inviting Indian investment and economic partnership.
COMMUNITY OF LATIN AMERICAN & CARIBBEAN STATES (CELAC)

• Since there is a need for grabbing the opportunity, Latin America may not have much strategic importance for India at present but Latin America has importance for India's energy security, food security, scope for trade and investment.
Thus strengthening India's economic profile is not only strengthen India's economic profile but also adds to the other dimensions of our both hard and soft power.

There is a huge scope for cooperation in hydrocarbon mines and minerals food security aviation bollywood space technology.
COMMUNITY OF LATIN AMERICAN & CARIBBEAN STATES (CELAC)

- It is true that India does not have large diaspora but India's presence is substantial in Caribbean.

- For Example - Trinidad and Tobago, Jamaica Suriname Guyana.
COMMUNITY OF LATIN AMERICAN & CARIBBEAN STATES (CELAC)

• India is negotiating preferential trade agreement and FTA with different countries and regional trade bloc, we have PTA with Chile, Mercosur.

• India has got observe status in Pacific Alliance (a group of Mexico, Chile, Columbia & Peru). Ministry of Commerce has been implementing focus LAC since 1997 which will ended in 2017.
Mercado Comum do Sul

(MERCOSUR)

Venezuela
Brazil
Paraguay
Argentina
Uruguay
COMMUNITY OF LATIN AMERICAN & CARIBBEAN STATES (CELAC)

- From 1.7 Billion bilateral trade in 2001-02.
- It has reached to $38.8 billion in 2014-15
COMMUNITY OF LATIN AMERICAN & CARIBBEAN STATES (CELAC)

- China trade is around 264 billion.
- India has kept target of $500 Billion dollar for 2025, Indian investment has grown and become around 20 Billion dollar.
- Chinese investment 50 billion dollar, have kept the target of 250 billion dollar by the year of 2025.
WHAT INDIA SHOULD DO

• 1. Connectivity - Even today there is no direct flight to any of the Latin American countries.
• 2. India has to give incentive to shipping companies to reduce the cost, more PTA and FTA will also reduce the cost.
WHAT INDIA SHOULD DO

• 3. India does not have diplomatic presence in all Latin American countries, China not only has diplomatic presence in all countries but there is a Chinatown in all countries.
4. India needs to promote Latin America studies, we need to institutionalize the relations at Pan Latin America level in the similar way we have relations with African Union
WHAT INDIA SHOULD DO

• 5. Continuous dialogue at platform like IBSA is required.
• It is unfortunate that despite making foreign policy as priority, PM Modi only visited Brazil in 2014 that too for BRICS summit and Mexico in 2016 to gain Mexico's support in NSG.
WHAT INDIA SHOULD DO

• 6. India has to look beyond Brazil, IBSA (India Brazil South Africa) forum for promoting institutional corporation.
REGIONALISATION OF WORLD POLITICS
BASIC CONCEPT

• Regional organizations are based on liberal approach to international politics which provide alternative to the approach of realists.

• It is an attempt to transform the relation among neighbours in a qualitative manner.
BASIC CONCEPT

• At times regional organizations are seen as against globalization because they formed protectionist blocs.

• On the other hand they are also seen as building block of globalization because regional integration is the first logical step for achieving integration at world level.

• There are various models of regional integration.
BASIC CONCEPT

- For Example -

- European union which is a model of Hard and Close regionalism.

- APEC and IORA are examples of soft regionalism and open regionalism.
BASIC CONCEPT

- European Union Model is based on institutionalized whereas APEC goes for minimum institutionalization.

- Similarly European Union goes for building commitment top down approach whereas APEC is based on voluntary commitment and bottom up approach.
BASIC CONCEPT

- Again some organizations may go for supra nationalism pooling the sovereignty other organizations may go for internationalism for example ASEAN.

- If EU is intrusive, goes for interference in domestic affairs ASEAN follows ASEAN way, it employees non interference in domestic affairs based on the principle of Panchsheel.
EUROPEAN UNION (EU)
Que. Discuss the process of regional integration in EU. What challenges normally come in achieving regional integration.

Que. Discuss the future prospect of EU. Give agreements in support of your point of view.

Que. What are the sticking points in India and EU, FTA negotiations.

Que. What do you understand by strategic partnership and why India EU strategic partnership is called as “loveless arranged marriage”.
INTRODUCTION

• It is a regional organisation of 28 European countries which have pooled their sovereignty on many matters and harmonize their laws in many matters.

• So far European Union is the most advanced model of regional integration.
INTRODUCTION

• European union is a source of inspiration and a learning exercise for other regional organisations.
Source of inspiration

1. I. Kant
2. Victor Hugo
1. I. KANT

- I. Kant has written a pamphlet titled perpetual peace.

- He desired perpetual peace among European Nations and suggested that peace can come by promotion of democracy and free trade.
2. VICTOR HUGO

- statesman and thinker,
- European Union is known as Hugo’s dream.

- In one of his speeches, he held that he is sure that a day will come when arms will fall off the hands on ground in Europe.
2. VICTOR HUGO

- It is said that Hugo had planted a tree in his courtyard.

- It is believed that future of European Union and that tree is interlinked.
Founding father of EU

1. Robert Schuman - French Foreign Minister.
EU

• However the real push factor for EU was USA. It was a part of US containment policy.
It is observed that some external push factor is required for the success of regional organization. USA had acted as a push factor in case of both EU as well as ASEAN. Unfortunately, external push factor has been missing from SAARC.
EVOLUTION OF EU

1. 1952 Formation of European Coal and Steel Community

- It was a initiative of six countries of Europe which are known as old Europe or core EU countries.

- (Germany, France, Italy, Belgium, Luxembourg and Netherlands).

- Choice of coal and steel is symbolic.
EVOLUTION OF EU

1. 1952 Formation of European Coal and Steel Community
   - The material used for building weapons, same material can be used for achieving perpetual peace.
   - Within 5 years cooperation, trade increased by 129%,
   - this has encouraged them to broaden the area of cooperation.
EVOLUTION OF EU

• 2. 1957- Treaty of Rome and foundation of European Economic community,
• By this treaty the Three European Union Institutions come into existence.
Three European Union Institutions

A. European steel and coal community
B. European Atomic Energy Community (EAEC or Euratom)
C. European Economic community
EVOLUTION OF EU

• 3. 1973 – 1st EU Expansion.
  • Britain, Denmark, Ireland joined EU, looking at benefits. These countries and especially UK never had any emotional reason.
  • It joint only for profits.
  • Traditionally British policy has been that Europe should remain divided.

• Britain has been fearful of European integration.
EVOLUTION OF EU

- It never wanted any country to become too strong to create security threat for their Island.
- Hence Britain always acted as a balancer supporting the weaker parties to challenge the rise of any hegemon Europe.
EVOLUTION OF EU

• 3. 1973 - IEU expansion.
  • Britain, Denmark and even Ireland can be considered as Europe- Phobic Nations.
  • Whereas the original EU countries are called as Europhiles.
  • Britain has been closer to USA then to Europe
EVOLUTION OF EU

• 3. 1973 - IEU expansion.
• These countries exercised opt-out clauses and stayed away from many EU treaties.
• In one way Brexit is good for EU because they can have more smooth integration as Britain has been obstructionist.
EVOLUTION OF EU

EVOLUTION OF EU

- 5. 1985- Schengen agreement by which European Union became borderless world.
- (Movement without Visa)
EVOLUTION OF EU

- 6. 1986 - Third expansion to include Spain and Portugal.
- Note-
  - As far as Germany, Britain is concerned, their policies have been neoliberal whereas greater influence of socialist policies in the new countries like Greece, Spain, Portugal.
  - These economics are called as PIIGs/PIGS.
EVOLUTION OF EU


- It led to the establishment of common market known as 4 freedoms in Europe:-
Common Market known as 4 freedoms in Europe

1. Freedom of Goods
2. Freedom of Services
3. Freedom of Capital
4. Freedom of People
In the First Treaty in 1957 (Treaty of a Rome). It took 30 years of negotiation to arrive at the second treaty, it shows that at times regional integration is extremely slow and lot of political will is required so carry forward the process.

Thus, today European Union is a common market as well as a Custom Union.
1993 Maastricht Treaty
FEATURES OF MAASTRICHT TREATY

- It made Europe a common currency zone (Euro zone).
- European Union become monetary union.
- At present there are 19 countries in Euros- Zone.
FEATURES OF MAASTRICHT TREATY

• Euro-Zone was suffering from existential crisis.
• There was a huge possibility of the exit of Greece.
• If happens Grexit will be a bigger challenge than Brexit.
Question

- What is the condition to join Eurozone.
COUNTRIES HAVE TO FULFILL A CONVERGENCE CRITERIA

1) Inflation should be less, (inflation should not be more than 1.5% of the three European union countries with the lowest inflation rate).
COUNTRIES HAVE TO FULFILL A CONVERGENCE CRITERIA

2) Public Debt should not be more than 60% of GDP.
Greece public debt was more than 300%.
• Budgetary deficit has to be below 3% of GDP.
1. Greece was manipulating the data. European Union were not having sufficient regulatory institutions to check the manipulation.
NOTE

- 2. Greece economy was not in position to be a part of Eurozone when it was inducted however European countries ignored the health of Greece economy.
- Just to prove the unity and to take the advantage of bigger market.
3. The biggest problem was that it was monetary union without being fiscal union and economic union.
OTHER FEATURES OF MAASTRICHT TREATY

1. Monetary union
OTHER FEATURES OF MAASTRICHT TREATY

2. Schengen agreement of 1985, become a part of European Union law
OTHER FEATURES OF MAASTRICHT TREATY

3. Countries to go for common foreign policy, security policy and justice and home affairs 1993
OTHER FEATURES OF MAASTRICHT TREATY

4.1995 –4th expansion of European Union. (Austria, Finland, Sweden joined)
5. 2004-08 countries of Eastern Europe which we are formally communist joined, European Union (Latvia, Lithonia, Estonia, Czech republic, Slovakia, Slovenia, Hungary, Poland + 2 Mediterranean countries Cyprus and Malta joined.) - Largest expansion of EU.
Since major expansion was to take place, European Union countries devised criteria:-
EUROPEAN UNION COUNTRIES DEVISED CRITERIA :-

1. Functioning democracy
EUROPEAN UNION COUNTRIES DEvised CRITERIA :-

2. Market economy
3. Protection of Human Rights especially minorities
EUROPEAN UNION COUNTRIES DEVISED CRITERIA :

4. Geographically located in Europe
NOTE

• European Union is accused of imposing western values as a condition of joining European union, on the other hand ASEAN does not have any such criteria.
EUROPEAN UNION COUNTRIES DEVISED CRITERIA :-

6. 2007 - expansion Romania and Bulgaria joined
EUROPEAN UNION COUNTRIES DEVISED CRITERIA :-

7. 2009 Treaty of Lisbon came into force
European Union countries wanted European union constitution but constitution was rejected in referendums in Denmark and Ireland.
ADVANTAGES OF POSSESSING CONSTITUTION.

• At present European union is extremely complicated.
• It manages itself through multiple treaties.
• It becomes difficult for European Union countries as well as outsiders to understand European Union laws.
ADVANTAGES OF POSSESSING CONSTITUTION.

• Hence, European Union is called as fortress.

• Had European union constitution in existence it would have streamlined European Union laws and it would have been easier for outside world to interact with European Union.
ADVANTAGES OF POSSESSING CONSTITUTION.

- It is to be noted that ASEAN is in one way more advanced than European Union because ASEAN has been successful in creating its constitution known as ASEAN charter in 2009.
EUROPEAN UNION COUNTRIES DEvised CRITERIA :-

8. 2013 Croatia has join
NOTE (ANALYSIS)

• 1. EU expansion has been extremely politicized event, EU imposes conditionalities.

• Russia is not comfortable in EU’s expansion eastward.
• 2. Expansion in one way strengthens European Union's image and its soft power.

• On the other hand extension adds complication, more number means more difficulty in accepting plans for further integration deepening.
• 3. The new countries have different priorities than old countries.

• Actually European Union has reached to a point of saturation and is not interested in further expansion.
• Why?
• The new countries of Europe are not that much economically strong.
• European Union has to maintain the similar quality of life for all European union citizens.
• Hence, it increases the burden of taxpayers of the richer countries, one of the reasons for the rise of populist parties.
4. Priorities are also different. New countries are closer to USA.

The core European Union countries like Germany want to have better relation with Russia, however new countries like Poland, Hungary have lot of enmity towards Russia because of soviet Imperialism.
5. It is believed that new members do not share the cultural values of old Europe, even their political culture does not match, for example on the refugee and migration issues.

The approach of Hungary, Poland has been very different than that of Germany and Sweden.

Hungary, Poland, Romania, Slovakia were against giving asylum to Muslims refuses.
1. European Council - Summit Meetings.
2. Council of European Union
3. European Commission
4. Parliament
1. EUROPEAN COUNCIL - SUMMIT MEETINGS

- European Union leaders meet many times a year.
2. COUNCIL OF EUROPEAN UNION

• Ministerial Council
3. EUROPEAN COMMISSION

- This body represents European Union
4. PARLIAMENT

- It represent European Union citizens. (791 seats directly elected by list system.)
• In Shakespeare's play Banquo's ghost taunted the witches. If you look into the seeds of time and say which grain will grow and which not, speak then to me, who neither beg nor fear your favours to me.
FUTURE OF EU

• European Union is considered as the moving bicycle which has to keep moving to prevent falling down.

• At present European union is facing multiple crises both externally and internally.
• European union leaders accept that there is an existential crisis before European Union.

• It is to see in whether, European union leaders have enough political will to ensure that the cycle keeps on moving or led European Union disintegrates.
We can discuss the crisis into two heads.

1. Internal
2. External
1) INTERNAL

- There are many fault lines within European union.
- European Union is not coherent as it appears from outside.
- The first fault line is given in next slide.
THE FIRST FAULT LINE IS

(a) Euro-Phobic Countries (Britain, Denmark) vs Europhiles (France, Greece)
(b) Within Europhiles countries have different motivation. For example - The French Motivation has been piece Germany's motivation is profit.
(c) There is a fault line between core economics like Germany, Austria, Belgium, Sweden, Finland and PIGS economies.
THE FIRST FAULT LINE IS

(d) Another fault line is in between old Europe and new Europe, They differ in terms of values. People in old Europe considered new Europe as burden.
THE FIRST FAULT LINE IS

(e) Another fault line is in between countries who favour stronger partnership with USA and those who are not too comfortable with USA 's interference.
Similarly there is a difference among countries over European Union's relationship with Russia.
THE FIRST FAULT LINE IS

(g) The other fault line is in between Northern and Southern Europe. This new fault line has emerged because of refugee crisis because northern countries have more liberal refugee policy than southern countries.
1) INTERNAL

- The overall situation of Euro-Zone has not returned to normal the biggest fear of Grexit is looming large.
- The rate of growth and employment in EU is not improving, Brexit also adversely impact European union's image.
- There is a lack of consensus among countries as to how to move in future.
1) INTERNAL

- Whether more integration or integration has reached to saturation point.
- There is also the growth of euro-sceptics parties in last election to European Union parliament.
1) INTERNAL

- In 2014, 25% of seats went to the rightists, nationalists and Euro Sceptics.

- Even in domestic elections, there is a significant increase in percent of votes in favour of rightist parties in France, Greece, Netherlands, European Union lacks strong leadership.
1) INTERNAL

- Leadership at present in European Union is going with ad hoc responses.

- Still major difference exist between Macron and Merkel.
• French president has proposed stronger Europe mutualization of debt, new asylum policy, budgetary and financial reforms.
• He has also proposed the post of European Union finance minister, with the idea of bringing alignment in fiscal and economic policies
2. External

1. Migratory Pressure

2. Terrorism

3. Geo strategic challenge by Russia

4. Competition from China-

5. Protectionist Policies of Trump Administration
1. MIGRATORY PRESSURE

- The biggest challenge is migratory pressure.

- Since, 2015 the number of migrants and refugees is reaching 22 million and there is a lack of consensus about how to deal with pressure in an effective manner.
2. TERRORISM

• Since crisis in middle east, European Union has been consistently facing terror attacks.

• It has resulted into rolling back of Schengen and enforcement of border controls.
3. GEO STRATEGIC CHALLENGE BY RUSSIA

• Russia is at its strongest.
• There is an increasing in popularity of Putin even in European countries, Because of US policies.
• European union and Russia tensions are continuing on the issue of Ukraine.
4. COMPETITION FROM CHINA

- China is continuing with its protectionist policies.
5. PROTECTIONIST POLICIES OF TRUMP

• Protectionist policies of trump administration.

• Thus European Union is facing the worst times and future remains uncertain.
1. Integration process is not easy because nations find it difficult to sacrifice their sovereignty.
2. Integration process can be long drawn process, it requires lot of political will sometimes many year passes without any further movement.
3. Expansion and deepening often do not go well because it becomes difficult to arrive at consensus.
4. The integration process can continue when only there is a proper give and take. For Example - Germany does not follow policy that benefits all countries.
CASE OF TURKEY
What Turkey Was Denied Membership?
1. Turkey has been trying for membership for long but failed to get on the other hand Cyprus got membership, This further the reduces chance. Greece and Cyprus oppose Turkey’s entry.
2. Turkey has been US ally and European Union doesn't want another Britain.
3. Germany does not want to Turkey’s entry because Turkey will be second largest in terms of population and at present advantage Germany is having, it will lose advantage.
HOW?

• In European Union, matters are decided by qualified majority.

• There are very few matters where concessions is required.

• In qualified majority, it is not necessary that all countries agree, only when majority of countries agree, decisions can be taken subject to the condition these countries also represent majority of population.
HOW?

• Note- In SAARC as well as ASEAN decisions are taken by consensus.
4. European union countries want to maintain themselves as Christian block whereas Turkey is predominantly Muslim.
5. Turkey is a buffer zone between Europe and Middle East, they do not want to extend European union to the middle east does they want to avoid bloody borders.
• What is the present status of Turkey issue?
WHAT IS THE PRESENT STATUS OF TURKEY ISSUE-

1. Turkey has lost the interest in European Union membership and has more towards strengthening its Islamic identity, which is also not in the European union interest.
WHAT IS THE PRESENT STATUS OF TURKEY ISSUE-

2. Turkey’s role in Syrian crisis with respect to ISIS is questionable
3. Recently EU has entered into agreement with Turkey over refugees, by which European Union has promised Turkey membership in future.
CONFLICT IN TURKEY AND CYPRUS
CONFLICT IN TURKEY AND CYPRUS

1. Cyprus was under Ottoman empire
CONFLICT IN TURKEY AND CYPRUS

2. Ottoman gifted Cyprus to Britain, in exchange of British help against Russia.
CONFLICT IN TURKEY AND CYPRUS

3. Like Sri Lanka Cyprus has two ethnic communities - Greek which are in majority and Turkish minority.
4. Once Cyprus was gifted to Britain, there was demand for national self determination in Cyprus. British followed divide and rule.
CONFLICT IN TURKEY AND CYPRUS

- **Britishers** proposed an arrangement
- President of Cyprus will be Greek origin, vice president will be Turkish origin.

- In civil services 70% seats to Greek origin 30% seats to Turkish origin. Turkey intervened militarily and brought Turkish dominated northern part under its control.
CONFLICT IN TURKEY AND CYPRUS

• Thus, Cyprus was further divided into two parts, north controlled by Turkey.

• Turkey maintains its military also, UN peacekeepers are also deployed.

• Southern part is free and closer to Greece.
CONFLICT IN TURKEY AND CYPRUS

- India has good relations with Cyprus whereas for India, Turkey is cold.

- Turkey has always been favorable to Pakistan, it is said that Pakistan has inherited all the warmth of historical links between India and Turkey.
CONFLICT IN TURKEY AND CYPRUS

- Turkey opposes India's position on Kashmir and India's entry in NSG, Since India is looking for membership of NSG, India had invited Turkey however Modi government play hardball diplomacy before the visit of Turkey, President India also invited president of Cyprus.
INDIA - EUROPEAN UNION RELATIONS
Evolution of India - European Union Relations

- India and European union are having diplomatic relations since the formation of European union.
- Since, 2004 European union has become India's strategic partner.
- In 2005, India and European Union even formulated joint action plan to take partnership forward.
Since EU is primarily a trading bloc, the most important aspect of India-European union partnership is trade and investment relations. India and European union have been negotiating comprehensive trade and partnership agreement since 2007.
Even after multiple rounds it has not been possible to resolve the deadlock.

European union is India's largest trading partner.
The EU is India's largest trading partner, accounting for €92 billion worth of trade in goods in 2018 or 12.9% of total Indian trade, ahead of China (10.9%) and the USA (10.1%).

• The EU is the leading destination for Indian exports (almost 18% of the total).

• India is the EU’s 9th largest trading partner, accounting for 2.3% of EU’s total trade in goods in 2018, well behind the USA (16.9%) and China (15.3%).
EVOLUTION OF INDIA - EUROPEAN UNION RELATIONS

- European union is second largest investor in India after Mauritius.

- European union investment are more than 51.2 billions euros.
The primary goods of exports and imports are Engineering Goods, Textile, Chemical, Gems, IT Services, Travel and Tourism.

European union can play significant role in Clean Energy, Smart Cities Higher Education, Organization, Biotechnology, Renewable Energy.
STICKING POINTS IN INDIA

- Road Bloc in FTA
Road Bloc in FTA

1. Data Secure Country
2. Dairy Sector
3. Automobile Sector
4. Wine and Spirit
5. Pharmaceuticals
6. Service Sector
7. IPR Issues
8. Investment Related Disputes
1. DATA SECURE COUNTRY

- European union does not gave India the status of data secure country.
- If European union grants this status, there will be significant jump in earning from BPO sector.
1. DATA SECURE COUNTRY

• Though government of India has taken various steps for cyber security yet it fails to satisfy European Union terms.
2. DAIRY SECTOR

- European union has comparative advantage in dairy sector, India maintains high tariff wall which makes European union product costlier.
AMUL

- Amul opposes tariff liberalization because 3.2 million rural women belonging to weaker sections are involved in dairy sector.

- European Union gives huge subsidy in dairy sector and impose non tariff barriers on Indian exporters.
3. AUTOMOBILE SECTOR

- Indian automobile manufacturing sector is against liberalization. On ground it will impact investment in automobile sector, loss of job and will go against make in India initiative.
4. WINE AND SPIRIT

- The farmers and local producers oppose liberalization of wine and spirit.
- It is another area where European Union has advantage.
5. PHARMACEUTICALS

- Most controversial area.

- European Union is not satisfied with Indian Patent Laws.
6. SERVICE SECTOR

- European Union is reluctant to liberalize mode- 4.
7. IPR ISSUES

- European union accuses India for not having sufficient protection of IPRs.
- Major problems in pharmaceuticals.
THERE HAS BEEN CONFLICT OVER ISSUES OF

A. Compulsory licensing of generic drugs.
THERE HAS BEEN CONFLICT OVER ISSUES OF

B. The ever greening of patents as Accepted by European union but Indian laws prohibit.
• According to India its patent regime is very much him according to WTO norms.
8. INVESTMENT RELATED DISPUTES

- The major dispute is in context of dispute resolution mechanism.

- India prefers domestic mechanisms whereas European Union prefers International arbitration.
8. INVESTMENT RELATED DISPUTES

• Thus there are various issues which are still pending.

• There are apprehensions in the mind of civil society in India because negotiations are going on in a secret manner.
8. INVESTMENT RELATED DISPUTES

- Talks started in 2007 and more than 60 rounds of talks have taken place.
- The success of India-European Union strategic partnership largely depends on the successful negotiation of FTA (Free Trade Agreement).
OTHER AREAS OF INDIA EUROPEAN UNION STRATEGIC PARTNERSHIP

1. India and European union share the views of multipolar world order.
2. India and European union are today facing common problems like transnational terrorism.
OTHER AREAS OF INDIA EUROPEAN UNION STRATEGIC PARTNERSHIP

3. There is scope of cooperation in Cyber Security, Maritime Security, Nuclear Non Proliferation and Disarmament.
4. The political instability in Middle East creates challenges for both India and European Union.
India and European union are also initiating dialogue of Human Rights.
5. There is a scope for corporation in Civil Nuclear Area
Question

• Why India and European Union partnership called as loveless Arrange marriage?
1. Since European union is primarily a trading bloc there is a limit to which relationship can be strategic.
2. Traditionally, India and European Union had lot of divergences on geo strategic issues. Example- European Union advocacy for human rights in context of Kashmir has been an irritant.
3. India's close partnership with Russia and continuous EU-Russia tensions also limit the scope
4. European union's position on Doha talks and climate change has not been favorable to developing countries, however European union stand is comparatively mild in comparison to USA stand.
5. India prefers to maintain stronger bilateral relations with individual countries like between Germany and France in comparison to the entire bloc.
FUTURE PROSPECTS

• Future prospects appears bright because greater convergence is emerging on Geo-strategic issues.

• For Example- Terrorism
FUTURE PROSPECTS

• In context of USA’s- America first policy, European Union needs to diversify its relation with other countries.

• Though China and European Union interdependence is much greater than India.

• European countries are also part of OBOR, yet China protectionist policies do harm European Union’s interest also.
FUTURE PROSPECTS

• Under the strong leadership of PM Modi - India is increasingly recognized as net security provider in Indian ocean which is of crucial significance for European Union.