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PAPERS

INDIA AND EUROPE IN A MULTIPOLAR WORLD

Bernd von Muenchow-Pohl

SOUTH ASIA | MAY 2012

CARNEGIE ENDOWMENT

FOR INTERNATIONAL PEACE

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Summary

The image of India as an emerging power is widely held, but there is equal reason to see the European Union as an emerging power, too, even at the risk of raising eyebrows. Like India, the EU seeks to become a global political player on top of being a great economic power. As the global power dynamic shifts, both are trying to define their roles in an emerging multipolar world. The question arises whether closer cooperation can help the EU and India to achieve their ambitions. Though they have committed to a strategic partnership, in its present state the EU-India relationship has been likened to a “loveless arranged marriage.” With each increasingly absorbed by domestic problems, the prospects for closer ties are fading, notwithstanding the opportunities that would be lost.

India and the EU do share some traits that, when taken together, none of the other established, emerging, or aspiring great powers display—continental-scale economies and a bewildering cultural, linguistic, and religious diversity all framed in democratic and quasi-federal structures that remain in flux. Yet, while their relationship has a great deal of potential, it has underperformed. The ambitious agenda of their Joint Action Plan, originally signed in 2005 and updated in 2008, is long on shared fundamentals and abstract political objectives but short on specifics and deliverables, and devoid of timelines. Both the EU and India find it difficult to commit to a clear-cut common agenda with specific goals. And there are fundamental deficits on both sides that impede their explicit or implicit global power ambitions as well as their abilities to effectively work together.

In the case of the EU, the deficit is first and foremost a matter of capabilities. Brussels has spelled out its vision for a strong EU role in global governance yet continues to lack the competences necessary to fully exert itself on most political and security matters. This capability gap will continue to limit the scope and intensity of cooperation with India as well as the EU’s other strategic partners.

India’s greatest deficit appears to be less one of ability than of political will. With impressive democratic credentials and a benign record, and as the former standard-bearer of the Non-Aligned Movement, India has earned a high degree of political credibility in most parts of the world on top of its growing economic stature. Still, New Delhi remains wary of assuming global responsibilities that might impose limitations on the options available for pursuing its own immediate national interests. A chronic lack of diplomatic manpower further compounds this reluctance.

Above all else, there is only partial overlap between what each side hopes to get out of the partnership. India and the EU share common objectives, but these relate more to general principles for the global order than to details and deliverables. Geopolitical distance and each side's preoccupation with its own neighborhood contribute to a lack of genuine shared interests—aside from the fight against terrorism and piracy.

Though the EU and India have built a multitiered institutional architecture to expand their partnership, its substance can still hardly be called “strategic.” To justify that term, it would need to move beyond the bilateral and from dialogue to joint action on a regional or multilateral level. Signing the overdue EU-India Free Trade Agreement is one such step that could help revitalize the relationship. If this project were to be shelved, however, the whole EU-India partnership would slide into long-term hibernation.

To achieve the full potential power of their relationship, the EU and India must push forward on trade negotiations, carry out a critical and frank review of the whole partnership architecture, recruit more stakeholders—from lawmakers and civil society members to business leaders—into the dialogue, and shore up sources of funding for joint initiatives. Without concrete action, the partnership is at risk of stagnation and political marginalization.

India and the European Union— Two Emerging Powers?

Emerging India

More than ten years after the introduction of the acronym BRICs in Jim O’Neill’s famous Goldman Sachs report—forecasting the rise of Brazil, Russia, India, and China—the image of India as an “emerging power,” or, as President Barack Obama emphasized when he addressed the Indian parliament in November 2010, an “emerged power,” has become omnipresent in the media and in policy debates. As the country has been the dominant force in South Asia since its independence, the term obviously refers to projection of power on a global scale. But what does it actually mean to call India an emerged power?

In successive BRICs scenarios, attempts have been made to lay out the global economic landscape until 2050 based on resource allocation, demographics, and other long-term trends. The ensuing logic that economic strength will inevitably translate into corresponding political power finds its most salient justification in the marked increase in China’s political weight, especially after the 2008 financial crisis. Though India lags at least a decade behind China in its overall economic development, it will, it is assumed, follow a similar economic and political growth trajectory on the global stage. Its prominent role in the G20, the new multilateral format of choice for financial and economic crisis management, seems to underscore this view.

Yet in spite of impressive growth rates, increased global market shares, and the deference world leaders show in traveling to New Delhi, India’s importance as a global player remains at least in part derived from expectations of future power potential rather than actual achievements to date. The margin for error increases exponentially with the length of the forecast period. This holds true for the 2050 world economic scenarios, and it should be kept in mind when contemplating India’s political role on the world stage as well.

Whether the world’s largest democracy can realize its full power potential will be determined not only by capacities and capabilities, inherent strengths and weaknesses, but also by its internal political dynamics and its ability to generate political consensus. Though Indians widely believe that their country,

India’s importance as a global player remains at least in part derived from expectations of future power potential rather than actual achievements to date.

as a great civilization of old, needs to reclaim its rightful place at the high table of nations,¹ there appears to be considerably less agreement on what it should do with it. India seems on all accounts poised for great power status—but what kind of a power does it want to be, and what role does it see for itself?

Aspiring Europe

Against the somber backdrop of Europe's protracted sovereign debt crisis, it may seem at first glance presumptuous to equate India and the EU in an emerging-powers context. Europe appears to be in accelerating decline, not ascent. Its current financial crisis reflects unsustainable fiscal policies and social entitlements, prolonged economic stagnation, loss of competitiveness, and worrisome demographics. Drastic austerity programs in the most affected countries and the seemingly open-ended requests for contributions from their more fiscally stable neighbors to prop up the common currency fuel anti-EU sentiments in the heartland as well as in the periphery and test the union's political cohesion. While the EU's unwieldy decisionmaking process absorbs its leaders in their efforts to contain a crisis that threatens to potentially undermine the achievements of decades of economic and political integration, Europe becomes increasingly inward looking and self-conscious. Foreign policy takes a backseat.

Yet in order to keep things in perspective, it might be useful to take a few steps back and widen the visual angle. Whether the sovereign debt crisis will freeze or even partly set back the process of European unification, or

In spite of its present calamities, the EU remains an attractive option to most of the remaining European non-members, and an economic magnet for the wider neighborhood.

whether it will at long last force upon eurozone members the fiscal discipline and common economic policy that have been critically lacking so far, the EU will continue to stand out as the most advanced and successful model of regional integration to date and a remarkable political entity sui generis. It can pride itself on having irreversibly ended in the span of one generation centuries of bitter national enmities on the war-torn continent. After the end of the Cold War, it successfully incorporated Central and Eastern Europe's formerly socialist economies. In spite of its present calamities, the EU remains an attractive option to most of the remaining European non-members, as Croatia's recent accession referendum suggests, and an economic magnet for the wider neighborhood.

If gauged with a similar yardstick as India, the EU's great power aspirations appear less unfounded. True, even before the beginning of the euro crisis, the EU had comparatively weak growth rates, which support the assumption in the 2007 Goldman Sachs BRICs update that only two of the EU's members would remain among the ten-biggest economies in 2050. But the EU 27 still tops the current International Monetary Fund (IMF) ranking with a combined 25.8 percent share of world GDP (in U.S. dollar terms), or 20.4

percent (purchasing power parity) and remains the world's largest exporter.² A combined though aging population of over 500 million puts it third behind China and India.

With its unified “single” market, the EU undoubtedly plays in the premier league of great economic powers. Where the treaties give the European Commission exclusive competence or residual powers, the union has assumed a key role in multilateral negotiations, whether in the World Trade Organization's Doha Round or the Durban climate conference. Though as a non-state entity it is not a full United Nations (UN) member, the EU is signatory to a large number of UN agreements and carries out civilian and military missions under UN mandates. In recognition of its increasing global governance role, the EU has held, since May 2011, an enhanced observer status in the UN General Assembly and its committees, which basically grants it most member rights except for the vote and the possibility to get elected to the Security Council. The EU requested this new status on the grounds of its deepening political integration as marked by the Lisbon Treaty, which aims, among other things, to significantly strengthen the union's profile in foreign and security matters.

However, Brussels's much-heralded Common Foreign and Security Policy has repeatedly failed to extend to crucial hot-button issues, leaving the EU internally divided in cases where a unified position would matter. In particular, the bigger member states are unwilling to shed their foreign policy prerogatives and sacrifice national interests for the greater good of Europe's ability to speak with one powerful voice. Notorious recent examples include the Security Council resolution on the establishment of a no-fly zone over Libya and Palestine's successful bid for UNESCO membership, where EU countries' voting pattern covered the whole range of options: support, abstention, and objection.

Different and Not So Different Challenges

At first glance, the hurdles the EU and India need to overcome to fully establish themselves as global powers seem to have very little in common. Just a comparison of the most basic socioeconomic data shows them as a world apart. For all of India's impressive achievements as the world's second-fastest-expanding economy, the government's paramount goal of “inclusive growth” remains elusive for most of its citizens. More than 70 percent of the population lives below the poverty line as defined by the World Bank, and in many key development indicators for health, education, and gender equality India continues to fare worse than sub-Saharan Africa.³ The income-distribution gap has widened further, and more than a decade of growth rates in the range of 7 to 9 percent has made the significant structural, sectoral, and regional imbalances within the Indian economy more visible.

Without maintaining high growth rates, India will not be able to lift itself out of mass poverty.

Earlier optimistic postulations of a “demographic dividend” for the coming decades are giving way to growing concerns about a restive youth bulge as the Indian economy’s lopsided structures and excess regulatory baggage have

led to the phenomenon of near-jobless growth.⁴ Massive investments are needed to employ India’s young and fast-growing population, flanked by corresponding leaps in providing education and training, and in expanding and modernizing the country’s inadequate infrastructure. Without maintaining high growth rates, India will not be able to lift itself out of mass poverty. The dogged presence of Naxalite insurgents throughout the country’s “red corridor” stretching from the Himalayan foothills of West Bengal to the coast of Karnataka, repeatedly described by the prime minister as the “biggest internal security challenge,”⁵ serves as a drastic reminder that the light of “India Shining” has yet to reach most villages.

Building the political consensus necessary to face up to these immense challenges has never been an easy task in India’s extremely diverse, multiethnic, multilingual, and multireligious democracy and federal union of 35 states and territories to date. While the Indian constitution tipped the balance in favor of the union government, further reinforced by the centralized national planning introduced in the 1950s, that trend has been halted and reversed by the Congress party’s loss of dominance in the 1980s and economic liberalization since 1991. The political landscape has become increasingly fragmented with the surge of regional and caste-based parties, and consequently the centrifugal forces within the political system have gained momentum. The growing probability of further fragile multiparty coalitions at the center does not bode well for a renewed push to enact economic and social reform, and could also hamper India’s ability to conduct a foreign policy that is guided by the greater national interest and long-term objectives rather than short-term domestic expediencies.

The embarrassing last minute veto by West Bengal’s powerful and prickly Chief Minister against the Teesta river water-sharing agreement with Bangladesh was a case in point. Considered a crucial confidence-building measure for stabilizing India’s rapprochement with its long-estranged neighbor, it had been part of a package that both sides had negotiated for months and readied for signature during Manmohan Singh’s high profile visit to Dhaka in September 2011. Claiming that she had not been sufficiently consulted on the issue directly affecting her state, Chief Minister Banerjee cancelled her participation. As the Singh government needs the votes of her party to maintain a parliamentary majority, it could not afford to override her objection. The water treaty was shelved, and the irritated Bangladeshis took a commercial transit agreement off the table in return.

While domestic politics are more likely to directly influence India's dealings with the near abroad, its future role in the larger Asia-Pacific region and on the global commons remains the subject of intense policy debates in New Delhi, echoing through the media. Relations with China and the United States and the degree to which India can get closer to one and reassert itself toward the other take the spotlight, at least for now. Below the surface, however, looms a more fundamental controversy about India's long-term national interests and what kind of a foreign policy strategy ought to be adapted in their pursuit. This debate reflects the difficulties of reconciling principles upheld since independence and thus imbedded in India's foreign policy DNA with the political and economic realities of the post-Cold War world and its own changing objectives and priorities.

Few voices argue today for reconnecting to India's Nehruvian identity and embracing its former role as stalwart of Third World solidarity.⁶ The necessity for plowing an independent path between opposing ideologies and global alliances may have long vanished—the foreign policy principle formulated to this end, however, continues to enjoy overwhelming, if not unanimous support. The idea of “strategic autonomy” connects the post-colonial period of the Non-Aligned Movement with India's quest for global power status in the twenty-first century, and has been reiterated by BJP- and Congress-led governments alike. Elevated to an “article of faith” by Prime Minister Manmohan Singh,⁷ its essence has been summed up as “engaging with all major powers, but aligning with none.”⁸

In the globalized world of the twenty-first century, the range for undiluted application of this principle—if it was ever possible—is shrinking. It can also be argued that India, at least in multilateral settings, adheres to it only selectively, and that it has replaced its former commitment to the common cause of the developing world through the G77 and similar larger groupings with a preference for “global governance by oligarchy”⁹ through aligning, wherever possible, with the other major emerging economies Brazil, China, and South Africa as well as with Russia in the format of either IBSA, BASIC, or BRICS. Whether these instances reflect only temporary expediency considerations or suggest indeed an emerging new foreign policy axiom—the more India reaches out to position itself as an emerging global power, the more it will need to reexamine, expand, and, where necessary, readjust established dogmas to the demands of this new role. In the past, New Delhi's multilateral stance was often motivated by the real or perceived necessity to preempt or counter the unilateralism of others. It was shaped by varying combinations of immediate national interests and of what India believed it owed to its Gandhian legacy as the “conscience of mankind.” Today a rising India, in the words of its national security adviser,

The more India reaches out to position itself as an emerging global power, the more it will need to reexamine, expand, and, where necessary, readjust established dogmas to the demands of this new role.

“must be willing and capable of contributing to global public goods in terms of security, growth and stability that the region and the world require.”¹⁰

While India is testing the waters for a new global role, the EU needs all hands on deck at home. The threat to the union’s common currency and its financial sector caused by some member states’ excessive levels of debt undoubtedly represents the gravest crisis for the union as a whole since its inception. What surfaced in early 2010 as the presumably isolated problem of unsound Greek public finances has increasingly dominated the European agenda on multiple levels, crowding out other important policy issues. It saps the EU’s financial resources and weakens its resolve to deal with arising external problems in an effective and timely manner. It is changing the external perception of Europe from a zone of wealth and stability to a continent in crisis looking for handouts from abroad. The EU’s unfamiliar new role as a supplicant among its peers at G20 gatherings or at the IMF cannot but affect the political capital it expects to leverage elsewhere.

Aside from missing fiscal coordination, the debt crisis has also exposed the EU’s considerable internal economic imbalances. Despite decades of massive financial infusions through the structural funds making up the bulk of Brussels’s expenditures with the goal of leveling regional disparities and equalizing the standard of living throughout the union, old divides persist and new ones have opened up since the introduction of the common currency. The widening gap between the haves and the have-nots among the member states might have been temporarily covered up by profligate government spending, generous social policies, or short-term phenomena like the real estate bubble, but it became all the more apparent once the debt crisis started to unfold. At the core appears the issue of competitiveness.¹¹

The difficult dual task of forcing fiscal consolidation while avoiding imminent recession is likely to deepen the EU’s North-South divide further, at least in the short term. In addition, there is growing uneasiness in some of the member states about how the two biggest economies of the eurozone, Germany and France, in their attempts to calm nervous financial markets, have taken to dominate the agenda and forestall collective summit decisions. Though there is unanimity on the seriousness of the predicament and the need to act quickly and decisively, following this through paradoxically could drive the EU members further apart instead of closing their ranks, offsetting the momentum toward a common fiscal policy.

After all, the debt crisis, connected to the global financial turmoil of 2008–2009, comes on the heels of the failed EU constitution project, which was replaced by the less ambitious Lisbon Treaty. Both events have adversely affected the EU’s image in the world as well as its own self-confidence and seem to vindicate euroskeptics and opponents of deeper integration. Yet most observers concur that only a closer union will preserve European prosperity and help avoid global marginalization in the long run. To overcome the

disconnect between Europe's political elite and wider public sentiment that led to the rejection of the constitutional treaty by the French and Dutch electorate will remain a key challenge for the EU's further evolution and might require something of a "participatory revolution to boost legitimacy for integration."¹² What that would entail remains unclear—and whether national governments and parliaments are prepared to give their blessings to more fundamental changes in the EU architecture that would reassign them from leading roles to supporting acts.

For the EU's foreign and security policy, the more immediate challenges concern matching ends and means, defining priorities, and allocating available resources accordingly. The optimistic outlook on the EU's own potential contributions to making the world a safer place that characterized the post-Cold War phase of rapid enlargement has in general given way to a more guarded and realistic assessment of Europe's role, its strengths and limitations, in the emerging new peer configuration. How far the union's focus can geographically extend beyond Europe's southern, southeastern, and eastern perimeters will obviously also depend on the EU's ability to regain its economic footing.

Another prerequisite for the EU's ability to become a political heavyweight and project its power, be it soft or hard, on a global scale is the further evolution of its own institutional architecture. Its very heterogenic composition, likely to increase with further accessions, and its established *modus operandi* of "incremental reform through treaty change,"¹³ underline the crucial importance that the EU's objectives and the steps necessary to attain them are supported without reservations in Europe's capitals and sufficiently backed by public opinion. Europe must first bring its house in order, but it also needs political consensus to become more than it is—certainly more than the sum of its parts.

Similar Features, Different Prospects?

As different as the EU and India may be, they share some character traits which, taken together, none of the other established, emerging, or aspiring great powers display, and which define their political identity, shape their worldview, and affect foreign policy objectives and the tactics for pursuing them. Under the same motto of "unity in diversity," both India and the EU represent multicultural and multireligious, democratic, and quasi-federal structures with currently 27 and 28 states, respectively, of vastly differing size and weight in which 23 official languages are spoken.

In the EU as well as in India, the political structure is young and still evolving. While the EU is poised for further enlargement and, despite recent setbacks, remains tilted toward deeper integration by its inherent dynamic, India's union continues to grow by carving out new states to recalibrate the delicate political, religious, ethnic, linguistic, and demographic balance. Equating both processes, one Indian commentator remarked in 1993: "Instead of regarding

India as a failed or deformed nation-state, we should see it as a new political form, perhaps as a forerunner of the future. We are in some ways where Europe wants to be, but we have a tremendous job of reform.”¹⁴

As the tectonic drifts of the twenty-first century shift global power from West to East, from North to South, from the Atlantic to the Pacific region, as so-called nontraditional security threats ranging from terrorism to climate change and energy dependency increasingly dominate risk assessments, and as globalization and technological progress stress the growing importance of soft power vis-à-vis exclusive reliance on hard power, both the EU and India are trying to define their roles in an emerging multipolar world. Though their points of departure are different, opposite in some aspects, some identical questions apply to both. Will they be able to become global strategic players in the full sense of the word? Will they be able to project power and assume corresponding responsibilities as “managers of global order” beyond their region and their more immediate neighborhood? Looking at the state and the potential of the relationship between India and the EU sheds some light on these questions as well as the role this relationship could play in the larger context.

Evolution of the EU-India Relationship

Overcoming the Colonial Legacy

From the arrival of the Portuguese on the Malabar Coast to independence and the epilogue of India’s annexation of Goa in 1961, the colonial chapter in the relationship between Europe and the Indian subcontinent spans more than four and a half centuries. While Europeans early on encroached politically and militarily to advance their trade interests like other intruders before them, it was the British *Raj* with its much deeper penetration that molded India’s colonial experience from near-total economic dependency to the traumatic experience of partition. India’s post-independence identity and understanding of its role in the world were profoundly shaped by colonial exploitation and the resistance against it. Despite the recognition of important constitutive legacies of British rule like Westminster-style parliamentary democracy, military deference to civilian leadership, an independent judiciary, and a vibrant free press, the narrative of the colonial experience in textbooks and media continues to contribute to a lingering political undercurrent of mistrust toward “the West.”

Nevertheless, Europe played a premier role in the first two decades after independence, from established trade patterns to India’s military procurement in the face of growing tensions with Pakistan. In 1963, India was one of the first countries to establish diplomatic relations with the European Economic Community (EEC). Ten years later, when Britain—India’s most important

trading partner at the time—joined the original six EEC members, India’s loss of imperial trade preferences led to its first commercial cooperation agreement with the community.

It took both sides another twenty years to sign their first political declaration after the EEC morphed into an enlarged European Union of then twelve member states. In 2000, India’s raised economic and political profile and the EU’s post–Cold War desire to extend its newly defined political mission beyond the confines of the European continent brought about the first EU-India summit meeting in Lisbon. The summits have been held annually since.

Trade and Aid

Trade continues to be the backbone of India’s relationship with Europe. While India’s postcolonial “mixed” economy with its strong focus on import substitution and its comparatively modest growth rates led to a partial retrenchment from the global economy,¹⁵ Europe remained the most important destination for Indian exports and the main source of India’s imports. This position has, however, been in steady relative decline in spite of solid growth in absolute terms. Whereas Western Europe accounted for 37 percent of Indian trade in 1960–1961,¹⁶ the combined share of the EU 27 has fallen to 15.6 percent.¹⁷

The EU still ranks as India’s foremost trading partner, but it will likely be dethroned in the near future with China likely to become the main source of Indian imports if current trends persist. India’s overall share of EU trade remains modest at 2.4 percent, which now places it ahead of South Korea and Brazil. The stagnation and recession forecasts for some EU countries could further erode the importance of trading with Europe for India, and appear to vindicate New Delhi’s efforts to open new markets and diversify exports through trade promotion programs targeting the Middle East, Africa, and Latin America especially.

Unlike India’s unbalanced trade with China, depending mainly on exports of raw materials and resulting in a large and widening deficit gap, the exchange with Europe reveals a high degree of economic complementarity in the composition of exports and imports. Indian exports to the EU have consistently moved up the value chain, with the largest share now held by the product category of machinery and transport equipment. Yet Europe needs strong trade growth both in quality and quantity if it wants to defend its pole position in India. The recently reported 20 percent increase in both directions for the first three quarters of 2011 were a positive surprise, but unlikely to be repeated in 2012. A timely conclusion of the “broad-based” Free Trade and Investment Agreement, discussed since 2005 and under formal negotiations

Europe needs strong trade growth both in quality and quantity if it wants to defend its pole position in India.

since 2007, could alone provide the momentum needed for a quantum leap in the EU-India economic relationship.

Aside from being India's most important trading partner and largest investor,¹⁸ the EU also tops the list of the country's aid donors. Like the bilateral development cooperation programs of the EU member states, the programs managed by the European Commission have undergone significant changes since the first food aid was sent to India in the late 1960s. One of the largest and longest-running early programs was the development of the Indian cooperative dairy sector, code-named "Operation Flood" and funded through the sale of EEC food aid in its initial phase. Alluding to the preceding "green revolution" that enabled India to emerge from the status of food importer to an agricultural surplus country, it has also been called the "white revolution," having made India the world's largest producer of milk products.

Based on the 1994 EU-India Cooperation Agreement and its overall development goal of poverty reduction, EU assistance has increasingly shifted to a sector-oriented approach and to direct budgetary support, with the main focus on rural health and primary education. This approach, complemented by independently funded nongovernmental organization (NGO) projects, is reflected in the EU's 2007–2013 Country Strategy Paper for India and forms the basis for the union's current interventions.

The end of this programming cycle, however, will mark the phasing-out of all EU development cooperation with India. As in the case of other major emerging economies among the nineteen Asian and Latin American nations that will no longer qualify for EU aid—including China and Brazil—Brussels intends to replace current programs with so-called "partnership instruments" to reflect the EU's specific interests and objectives vis-à-vis these countries. The exact nature, financial scope, and implementation mechanism of these instruments, however, are yet to be defined.

Strategic Partnership

The 1994 Cooperation Agreement was accompanied by a Joint Statement on Political Dialogue that highlighted the EU and India's shared fundamentals of democracy and diversity. Against this background and with a view toward India's growing economic importance, the European Commission made the case for upgrading the relationship in a communication to the member states and the European Parliament in 1996.

India's 1998 nuclear test, however, temporarily interrupted this momentum and revitalized tendencies to view relations with New Delhi in the context of the lingering Indo-Pakistani conflict. The European Parliament's preoccupation with the state of human rights in India in general and the conduct of Indian security forces in Kashmir in particular did not sit well with Indian sensitivities and the country's firm belief that others should refrain from public comments on its internal affairs. Europeans earned the reputation of being

“preachy and intrusive” on the one hand,¹⁹ and too neglectful of India’s exposure to transborder terrorism on the other. In spite of these irritations, the EU proposed to lift its relationship with India to the level of a “strategic partnership,” thereby putting it in the same category as the United States, Canada, Russia, Japan, and China. This new status was formally approved at the 2004 summit at The Hague.

To spell out what this would entail was left to the next summit meeting in New Delhi in 2005. A Political Declaration on the EU-India Strategic Partnership provided the executive summary and a Joint Action Plan the fine print. Setting a broad political agenda for future Indo-European cooperation on top of trade and aid, Brussels and New Delhi pledged to strengthen dialogue and consultation, especially in multilateral forums; to jointly foster democracy, human rights, and cultural diversity; to promote the shared objectives of universal disarmament and nonproliferation; to combat terrorism, organized crime, and drug trafficking; and to identify areas of cooperation in peacekeeping, conflict resolution, and postconflict assistance. Among other steps, both sides further agreed to upgrade their existing dialogue on migration and consular issues, increase cultural cooperation, stimulate more educational and academic exchanges, and intensify contacts between parliamentarians as well as civil society.

Great Expectations, Small Yields?

The ambitious agenda of the Joint Action Plan was reviewed, partly condensed, and partly amended in 2008. The updated document, however, reveals the same shortcomings as the original version and almost all other documents that have hailed from EU-India summits so far. They are long on shared fundamentals and abstract political objectives but short on specifics and deliverables, and devoid of timelines. If the Joint Action Plan was intended as the road map for expanding the relationship, it only indicates general directions without marking either routes or destinations. In most instances, “action” translates into some form of dialogue.

The general sense of vagueness that emerges from these documents indicates both sides’ difficulty in committing to a clear-cut common agenda with specific goals. For the EU, this can be partly attributed to the still-evolving division of competences between the European Commission and the member states as well as differing priorities among the latter. On the Indian side, it reflects the absence of a national foreign policy consensus and the government’s desire to remain on safe ground by not stepping outside of the self-imposed limitations of “strategic autonomy.” But foremost, the lack of detail and deliverables appears to stem from the only partial overlap of what both sides hope to get out of this partnership.

Overall, the achievements remain modest. Aside from a few EU success stories like the agreement on civil aviation, the EU’s role has largely been

reduced to “supplemental diplomacy,”²⁰ with bilateral cooperation between its larger member states and India continuing to dominate key aspects of the Indo-European relationship. Between summits and high-level visits, Indian and EU officials meet in a wide array of structured dialogues, committees, and working groups covering the whole range of the Joint Action Plan. But many of these formats, some of which predate the strategic partnership, have not met in years,²¹ and others have been abandoned. In general, their usefulness and viability seems to be largely subject to their ability to contribute to the annual summit, instead of developing a dynamic of their own and thus broadening the base of the relationship.

In contrast to the emphatic language of the strategic partnership declaration and successive summit statements, outside assessments both in India and Europe have mostly remained guarded if not skeptical. In its present state the partnership has been likened to a “loveless arranged marriage.”²² While acknowledging its long-term potential, critics point out the considerable obstacles represented by mismatches of structures, capabilities and priorities, as well as weak societal underpinnings, differing worldviews, and a general lack of understanding for each other. To realize the full potential, all of these will need to be addressed.

What Does the EU Want From India?

A Secure Europe in a Better World

The title of Javier Solana’s European Security Strategy, formally adopted in December of 2003, captures the essence of what has been driving the EU’s Common Foreign and Security Policy since its inception. Annotated in 2008, this text remains the gospel for Europe’s engagement with the world, focusing simultaneously on the changing threat scenarios and the EU’s self-ascribed mission to foster stability and prosperity through the proliferation of its norms and values.

Solana’s document was conceived at a critical juncture in the evolving post–Cold War order. President Bush’s determination to invade Iraq with the help of a “coalition of the willing,” aptly described as the high-water mark of the U.S. unilateral moment, had caught Europe’s leaders off guard and left them bitterly divided, undermining both the EU’s ambition to act in unison and its belief in the precedence of multilateral efforts within the framework of the UN system.

The list of key global threats and challenges the EU needs to meet includes terrorism, proliferation of weapons of mass destruction, regional conflicts and failed states, organized crime, piracy, cyber security, energy security, and

climate change. As its outer line of defense, the EU aims to promote political stability, economic development, and good governance in its immediate neighborhood along the Mediterranean littoral, in the Balkans, in Eastern Europe, and Transcaucasia. Because of the transnational character of these threats, they require coordinated responses at a regional or global level, which in turn depend on strengthened multilateral institutions. From this reasoning flows the EU's mantra of "effective multilateralism" and the search for "strategic partners" to enforce it.

Though the European Security Strategy suggests that the list remains open, it specifically calls for strategic partnerships with Japan, China, Canada, and India, in addition to the special ties already established with the United States and Russia. The 2008 update is less precise in pointing out the EU's collaborators of choice, but the additional strategic partnerships concluded to date—Brazil, South Africa, Mexico, and South Korea—give a general idea of the selection criteria: a political leadership role in their region, an economy large enough to matter to Europe, and adherence to the same goals and values, with China being the more obvious exception in this category.

Brussels' philosophy to lean on the new global heavyweights in its efforts to shape the multilateral agenda was, however, visibly questioned at the UN climate conference in Copenhagen in December of 2009. The EU, with its bid for binding emission reduction goals, found itself sidelined by the United States and four other strategic partners. This sobering experience was no doubt on the minds of European leaders when they gathered in September 2010 to review—as mandated by the Lisbon Treaty—EU foreign policy and the concept of strategic partnerships in particular. EU Council President Herman Van Rompuy summed up the task at hand: "Until now we had strategic partners. Now we also need a strategy."²³

"The World's Largest Democracies"—Natural Partners?

The belief that their common values as well as their growing statures would predestine Europe and India for much closer ties is expressed in the EU's initial strategic partnership proposal of June 2004. It outlined four main areas of closer cooperation: political bilateral and multilateral cooperation with an emphasis on transnational security threats; enhanced economic and sectorial cooperation; development; and closer cultural ties and promotion of people-to-people exchanges. A voluminous annex paper detailed the EU's ideas for the corresponding institutional architecture, incorporating and streamlining existing dialogue formats.

It was left to India's ambassador in Brussels to formulate an equally detailed response—the first-ever official strategy paper on relations with the EU. While ambitious in its proposals to systematically expand cooperation and consultation at the UN and other multilateral forums and to upgrade the

counterterrorism dialogue to a broader working group on security cooperation, the reply stressed India's insistence on a "relationship of sovereign equality based on comparative advantage and a mutuality of interests and benefits," marking the limits of New Delhi's comfort zone and its apprehension about too tight an embrace by its newfound soul mates in Brussels. With a view to previous irritations and mindful of India's volatile neighborhood, the response paper was further adamant that the partnership should be kept "immune from the vicissitudes of either side's relationship with a third party."²⁴

This insistence on the strictly bilateral character of the partnership commitment provides the Indian subtext to the "shared values and beliefs" and the "common commitment to democracy, pluralism, human rights and the rule of law" that the Strategic Partnership declaration of 2005 heralds. India generally does not aspire to advocate democracy and human rights abroad. It may see its own democratic and pluralistic credentials as important elements of the "soft power" it can project in South Asia and beyond, and may hope to attract and inspire others, but it does not believe in lending direct support to prodemocratic movements or berating other governments over their human rights record.²⁵

Instead, India prefers to adhere more or less strictly to noninterference in the internal affairs of others as one of the five principles of peaceful coexistence (*panchsheel*) which had formed the creed of the Non-Aligned Movement. This foreign policy traditionalism is reinforced by domestic afterthoughts:

India prefers to adhere more or less strictly to noninterference in the internal affairs of others. The EU, in contrast, is eager to proselytize.

"If New Delhi were to get strictly evangelical on human rights abroad, pretty soon fingers will be pointed at its own record in Gujarat, Kashmir or the northeast."²⁶

India's former ambassador to Brussels offered a popularized version of his government's traditional hands-off rationale: "Democracy is like Hinduism. You are either born into it or you are not."²⁷ The EU, in contrast, is eager to proselytize. Drawing from its own historic experiences in overcoming authoritarian one-party rule in Europe, it

sees the active promotion of these norms and values as a central part of its mission: "The best protection for our security is a world of well-governed democratic states. Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means of strengthening the international order."²⁸

Effective Multilateralism

The EU's approach to bringing its relationship with India to a "strategic" level rested on two premises—that India, as a like-minded democracy and emerging global power, would share the same notion of responsibility for global security, and that it would accept the EU as a true strategic player. Having fielded

various civilian and military missions in and outside of Europe since 2003, the EU views itself as an important security provider and is anxious that this relatively new role be recognized by others as well. This aspiration provides the backdrop for the proposed closer Indo-European cooperation within the UN framework and with a special emphasis on peacekeeping and peace building, but at the same time mindful of maintaining the EU's own profile.

The European Security Strategy reflects European concerns that the United States might feel tempted to bend the rules of the multilateral order it helped institute, but it also presupposes that the existing order provides an essentially equitable framework that is capable of balancing and settling conflicting interests. The structures might need some minor adjustments here and there, but the foundations appear to be sufficiently solid to support further expansions. This positive outlook was no doubt influenced by Europe's own experiences with the evolution of the CSCE process, creating openings for peaceful democratic change and eventually breaking down the barriers between East and West. It further mirrors the widespread hopes that the end of Cold War–blockage at the UN would usher in a new era of broad multilateral consensus.

From an Indian perspective, “an international order based on effective multilateralism” is a slightly suspect tautology. It begs the critical question of the purpose of this order. Seen from New Delhi, historical experiences with it are mixed at best. In spite of its active involvement in the formative phase of the UN, India had increasingly harbored reservations about the organization's actual role and the legal framework it spawned, most notably in the case of the nuclear nonproliferation regime. As one author phrased it, “The Gandhian idea of boycott defined India's stance towards the global order.”²⁹

The political declaration of September 2005 that established the strategic partnership between the EU and India attempted to bridge this perception gap at least verbally. While the EU succeeded in inserting mutual commitment to its “effective multilateralism” creed, the text ties multilateralism not only to the broader objectives of international peace and security, but also to “the economic and social advancement of all people”—an element not to be found in the European Security Strategy and more reminiscent of the G77 agenda traditionally advanced by India.

Climate Change—EU Paradigm for Global Governance?

Critics in India and elsewhere will eagerly point out the discrepancies between the moral imperative imbedded in EU policy declarations like the European Security Strategy and the more prosaic reality of its economic interests. One area, however, where the EU has arguably been fairly consistent in following its own script and trying to lead by example is climate change mitigation. Backed by a broad popular consensus on the irreversible effects of global warming, the EU can claim to remain the driving force within the industrialized world for a binding universal regime to reduce greenhouse gas emissions.

For the most part, this momentum has been maintained despite the adverse economic environment since the financial crisis of 2008.

The EU can claim to remain the driving force within the industrialized world for a binding universal regime to reduce greenhouse gas emissions.

Gathering support from among the major emerging economies for its ambitious climate policy agenda has become a key element in developing the EU's strategic partners network. In a way, it also represents the best example of how the EU believes it can effectively address global security threats through fostering a rule-based international order and disseminating its own norms. As a country particularly vulnerable to global warming because

of its reliance on the annual monsoon and the Himalayan glaciers watering its densely populated great riparian basins,³⁰ India has been considered a crucial partner and potential ally in this effort.

The EU's hopes of Indian support for a comprehensive new climate agreement received a severe blow in Copenhagen. In the final phase of the nearly collapsed conference, New Delhi settled instead for the vague and nonbinding "Copenhagen Accord" negotiated between the United States and the four BASIC countries.³¹ This sobering experience led to much soul-searching in European capitals and a less ambitious EU approach to the follow-up conference in Cancun. The 2011 Durban conference, however, with the end of the first commitment period of the Kyoto protocol looming and no replacement in sight, saw a major realignment of position, which brought the EU back into the driver's seat.

In particular, the conference witnessed a different dynamic between the two strategic partners. A majority of India's traditional clientele among the least developed nations and the small island states now strongly supported the EU's insistence on a deadline-driven roadmap to a universally binding agreement in exchange for a second Kyoto commitment period. This shift left India increasingly isolated in its categorical opposition to any arrangement that would include emissions ceilings for developing countries, possibly fettering its own industrial growth. It only pulled back from becoming the deal breaker in the eleventh hour and reluctantly consented to what was to become the "Durban Platform for Enhanced Action."

Faced with criticism at home over her handling of the climate negotiations, Environment Minister Jayanthi Natarajan felt compelled to defend the outcome as a "major achievement" for India in a statement before parliament as well as in the media. In a rather unusual gesture, the EU chief negotiator, anxious to blot out any hard feelings in view of the difficult negotiations ahead, likewise used an article in the Indian press to publicly praise her colleague's stout defense of national interests and India's comportment as a "constructive force in Durban," while explicitly acknowledging the principle of "common but differentiated responsibilities" that represents the cornerstone of New Delhi's multilateral climate policy.³²

Does Europe Matter to India?

From “Strategic Autonomy” to the “Manmohan Doctrine”

Paraphrasing his great predecessor Nehru, Prime Minister Manmohan Singh maintained that “India is too large a country to be boxed into any alliance or regional or subregional arrangements, whether trade, economic or political.”³³ As much as India’s foreign policy today, in many aspects, remains moored to the guiding principles established by its founding father, this statement marks at the same time the obvious limits to translating a venerated yet abstract principle into actual policy in a highly interconnected global environment. While India may indeed continue to shy away from “alliances,” it has become part of a rapidly increasing number of “arrangements” of differing purpose, cohesiveness, and geographic extension, but each with obligations that impact on India’s foreign policy options.

The implications are most apparent in the growing number of bilateral and regional trade agreements that India has concluded since the dismantling of the “license-permit-quota-raj” in the early 1990s. Inspired by the success story of the Asian “tigers,” India redirected its effort to increase its footprint in the global economy toward the Asia-Pacific region. In Singh’s own words, New Delhi’s “Look East” policy is “not merely an external economic policy” but “also a strategic shift in India’s vision of the world.”³⁴ The approach netted the majority of the country’s preferential trade agreements concluded to date, with South Korea and Japan as the most recent examples.

India’s growing economic weight in the world and the ensuing new opportunities for its engagement with all established and emerging powers, particularly its neighbors in South Asia, reinforced by its unique model of an open democratic society, is at the heart of what is referred to by Indian political analysts as the “Manmohan Doctrine.” Its essence has been distilled from two programmatic speeches outlining Singh’s vision for India at the beginning of his first term in office.³⁵ Singh describes India’s external relations as primarily determined by economic links.

This approach is also applied to the newly coined strategic partnership with the EU, though only mentioned in passing.³⁶ Singh’s vision for India’s place in the world devotes little space to the EU, but that it is mentioned at all, given its usual absence on the Indian grand strategy map,³⁷ is noteworthy. Instead of the three European nation-states that have for decades been the dominant factors in shaping Indo-European relations, the United Kingdom, France and Germany, now only the EU finds mention along with India’s other main partners—as an overarching economic entity but not as a political power.

Strategic Partnerships

Like the EU, India has concluded a growing number of “strategic partnerships” in recent years. The rather diverse list includes the United States, China, Russia, Japan, Brazil, South Africa, the United Kingdom, France, Germany, South Korea, Iran, Saudi Arabia, Indonesia, Singapore, and Vietnam, with Afghanistan being the latest addition to the fold. For New Delhi, the term obviously takes on very different meanings depending on the specific political and economic context of the relationship. In the absence of any known policy document shedding light on the political rationale or the practical implications of bestowing this enhanced status on a bilateral relationship, it has to be assumed that this is decided *ad hoc*, using different criteria from case to case.

This pragmatic incrementalism, while reducing the term to little more than political symbolism or a protocol upgrade, has its benefits. With the only visible common denominator being an unspecified higher degree of importance to India, the extreme heterogeneity of India’s strategic partnerships practically precludes undesired comparisons and deductions as to how one strategic partnership might be affected by that with a third party. Unlike the EU with its regularized summit schedule, India’s unsystematic but flexible approach also allows for toning down the relationship where deemed convenient—as in the case of the strategic partnership with Iran promulgated in 2003.

The self-contained nature of these enhanced relationships is expected to guarantee India the necessary elbow room required by the “strategic autonomy” doctrine. Defined mainly by their usefulness for India’s foreign policy objectives, the relationships also do not necessarily require a general sense of like-mindedness, shared principles, or common values, though many of the partnership declarations invoke them. This marks a subtle yet important difference in the understanding of the implications of a strategic partnership between India and the EU.

In light of India’s colonial experience, the EU’s self-representation as a “force for good” might taste of hubris and hypocrisy. Yet for all the historical baggage and present inconsistencies, the belief that the proliferation of Europe’s own norms and values will contribute to a safer and more humane global environment remains an important driver of its foreign policy. It is contained in the European Security Strategy and the EU’s concept of strategic partnerships. As instruments for “effective multilateralism,” they are not only to serve Europe’s own direct interests but to help create, in the European Security Strategy’s rather poetic choice of words, “a better world.”

In contrast, India’s approach has remained strictly utilitarian, notwithstanding the universalist elements underpinning the “Manmohan Doctrine.” This is also illustrated by a recently undertaken comparative study of a New Delhi-based think tank that graded the more prominent of India’s strategic partnerships based on their political, defense related, and economic performance.³⁸ Aside from Russia coming out as the top scorer in this matrix,

the study is of interest insofar as it exemplifies mainstream thinking among Indian foreign policy experts, many of whom held high positions in government. While the study insists on the existence of a “strong and mutually beneficial relationship” as a precondition for this special status, the actual ratings are solely based on the concrete benefits each strategic partnership has netted for India. The other side of the equation is not factored in, and no thought is given to what the two partners might be able to jointly contribute beyond their bilateral agenda.

Old Europe—Many Voices, No Muscle?

Not surprisingly, the comparative study of India’s strategic partnerships includes the United Kingdom, France, and Germany, but not the EU. The latter, frequently referred to in Indian media as a “trade bloc,” is seen as a great economic power with corresponding political ambitions but limited delivery capabilities. The relevant assets and competences remain in the hands of national governments with divergent interests and priorities. In terms of hard power, Europe appears to lack not only sufficient means to bring its political objectives to bear beyond its own region but also consensus on how to use the means it can muster. In spite of the EU’s efforts to codify a common foreign policy, there is a persistent notion in Indian foreign policy circles that Europe is suffering from “external drift and internal discord”³⁹ and generally lacks strategic vision.

New Delhi’s geopolitical focus on South Asia and the greater Asian-Pacific region helps explain this overall low opinion of Europe’s potential for great power status. With the notable exceptions of its contributions to the NATO mission in Afghanistan and its role as a supplier of defense hardware, Europe has remained militarily absent from India’s wider neighborhood since the end of colonialism. Without a hard power presence or direct security interests at stake in the region, Europe holds no hedging potential for India and does not figure in its strategic calculus. Consequently, it tends to rank low on the priority list.

Following the economic logic of the “Look East” policy and the “Manmohan Doctrine,” the prevalent absence of Europe in New Delhi’s global strategic outlook is surprising and not sufficiently explained by deficits in the EU’s political cohesion and capability. While the reservations of many EU member states toward the projection of hard power are indisputable, India’s own fascination with it seems at odds with the unanimously accepted primacy of economic growth in guiding foreign policy. India’s volatile neighborhood and history of armed conflicts stress the importance of military capabilities, but there is a certain tendency among New Delhi’s government-sponsored think tank community to overemphasize hard power categories for framing India’s foreign policy options, which risks distorting more complex political realities. One retrospective example of this

Without a hard power presence or direct security interests at stake in the region, Europe holds no hedging potential for India and does not figure in its strategic calculus.

worldview is the widely shared belief that the West did not take India seriously until its 1998 nuclear tests.

This taste for hard power is one factor that gives the United States an overwhelming presence in Indian foreign policy discourse. In the eyes of political analysts, government officials, and the media, the United States has become the benchmark for India's other partners in "the West." It is simply impossible to discuss Indian perceptions and expectations of Europe without reference to the U.S.-India relationship. Unlike the EU, the United States can deliver in all areas that are important to New Delhi. If India's foreign policy objectives are imagined in three concentric circles, with South Asia as the first, the Asia-Pacific region as the second, and India's aspirations for global power status as the third sphere,⁴⁰ the United States plays a critical role in all three and has—besides China—the largest possible impact on India's security environment. When it comes to the political dimension of the strategic partnerships and the outcomes produced so far, any direct comparison between the United States and the EU cannot be favorable to the latter.

What India Wants

New Delhi's priorities for its relationship with the EU remain trade and technology, investment and infrastructure, energy, and the environment. Europe matters to India as a market for its goods and services as well as a source of financing and critical know-how. This includes growing scientific cooperation as well as education and in particular vocational training to help offer an employment perspective to the tens of millions of new entrants to the Indian labor market every year. Critical to all these priority areas is, from New Delhi's viewpoint, a more liberal and uniform European approach to the issuing of visas and, eventually, work permits. Prime Minister Singh reemphasized this point in his otherwise brief and generally low-key statement following the EU-India summit meeting held in New Delhi in February 2012.

Due to the EU's complex blend of supra-nationally administered portfolios, national prerogatives, and large areas covered by different forms of mixed competence, India must pursue these priorities in parallel vis-à-vis the European Commission and the national governments. This duality can result in overlap or—depending on the importance member states attach to their individual profile in India in certain areas—even some degree of competition within the larger framework of Indo-European cooperation. This has been the case in the energy sector, where the European Commission's role has largely been restricted to policy dialogue, while the cooperation with member states like France and Germany has proven more substantial for India. The rather vague "Joint Declaration for Enhanced Cooperation on Energy" issued by the last EU-India summit highlights these differences. Except for trade and—partly because of the funding provided by the EU—science and technology, India tends to address the majority of its agenda items directly with the member states.

The Partnership Agenda

The Political Dimension

In content and structure, the Joint Action Plan largely follows the initial EU proposal submitted to the Indian side. For Brussels, the document represented a new approach to codifying the relationship with a foreign partner in its entirety. A similarly detailed formal agenda had only been agreed upon with Moscow a year earlier in the form of “road maps” for the four EU-Russia “common spaces,” but it was the EU-India document that subsequently became the model for defining the EU’s strategic partnerships with South Africa, Brazil, and Mexico. For India, the Joint Action Plan stands out as the only document of this kind among its many strategic partnerships.

The Joint Action Plan mixes the enunciation of common principles with the enumeration of political action items. A better overview is provided by the accompanying Political Declaration on the Strategic Partnership, which groups “political dialogue and cooperation” into four core areas: the fight against terrorism and related threats; closer consultation and joint efforts at the UN with an emphasis on peace building and peacekeeping; global and regional security dialogue focusing especially on disarmament and nonproliferation of weapons of mass destruction; and human rights.

The language of the Joint Action Plan itself remains vague. The most frequently used “action” verbs seem to be to discuss, consult, exchange views, identify, seek to, and look for—describing rather the possibility of eventual joint action than actual effort, and leaving ample space for caveats on both sides. In most instances, the only clearly identifiable action established by the plan is some form of dialogue. The overly cautious language reflects only partial congruence of priorities, asymmetric capabilities, and different approaches to multilateral engagement. All three factors have significantly contributed to the general lack of measurable progress so far.

For India, one of the most important areas for a closer engagement with the EU continues to be counterterrorism, including the fight against organized crime, money laundering, and cyberterrorism. New Delhi’s initial proposals to expand cooperation with the EU, judged as overly ambitious in some European capitals, presupposed a central authority to direct policy and ensure compliance that has not yet been established and that member states are not ready to accept. The competences of the office of the EU Counter-Terrorism Coordinator, created in 2004 after the Madrid bombings, remain limited.

India and the EU have reaffirmed their previous commitments to the cause in broader terms in a Joint Declaration on International Terrorism at the 2010 summit, but in practical aspects like police cooperation, intelligence sharing, or legal assistance cooperation continues to rely primarily on national channels of communication. In India, the forceful opposition of several chief ministers

to the planned central National Counter Terrorism Center on the grounds that its mandate would infringe on states' rights has created an unexpected parallel to the EU's lack of centralized authority in this area. It remains to be seen whether the central government will be able to devise a politically acceptable solution that will close the gaps in India's internal security architecture.

Conflict prevention, peace building, and peacekeeping are among the EU's top political priorities for the Indo-European agenda. Wishing to highlight its own growing role not only as a major funding source for UN operations

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but also as a genuine security provider carrying out its own missions under Security Council mandates, the EU regards India, with its long record as a leading force contributor to UN peacekeeping operations, as a partner of choice at the UN as well as on the ground, especially in Africa, where both sides have had considerable exposure to regional conflicts and humanitarian crises. Among the more specific measures proposed in the Joint Action Plan

are joint support of UN operations, joint training of staff and training personnel exchanges, and combined postconflict and confidence-building projects. Fundamental political differences, however, have continued to stand in the way of practical cooperation.

As a regional organization, the EU can carry out UN-mandated missions, while only its member states can contribute troops directly to UN-led operations. Obviously, Europe prefers its military and its civilian contingents to serve under the dark blue colors of the EU rather than under the pale blue flag of the UN. To further enhance its own profile as a mandated security operator, the EU has signed an agreement enabling U.S. participation in EU missions and is negotiating a similar one with Russia. Indian diplomacy, in contrast, is not yet ready to accept such an arrangement that would deviate from its traditional position of participating only in UN-led missions.⁴¹

Hampered by these mutually exclusive positions, EU-India multilateral cooperation appears to need a modest joint project or successful initiative to demonstrate the greater potential to be realized.⁴² Officials in Brussels came to the conclusion that antipiracy operations in the Indian Ocean might provide the best realistic option for actual cooperation. They suggested a set of combined and coordinated activities in a "non-paper" in early 2011, custom-tailored to the known Indian provisos. The proposal ranged from joint escorts of World Food Program and African Union Mission (ANISOM) shipments to Somalia and convoy coordination between the Indian navy and the EU's naval force there (EUNAVFOR) to joint support for prison building in the region. After more substantial discussions based on the EU document in the run-up to the 2012 summit, the first effective steps beyond the dialogue level seem finally in sight. Similar optimism was voiced in the summit statements with regard to

counterterrorism and cybersecurity, though, as in the case of antipiracy cooperation, in the absence of any formal agreement or official document.⁴³

Trade and Investment

Surprisingly, the Joint Action Plan devotes the least space to the economic side of the relationship. At the time, the “action” was expected to take place elsewhere. When the partnership agenda was launched in September of 2005, there were still reasonable hopes for a successful conclusion of the World Trade Organization’s (WTO) Doha Round negotiations. India and the EU were still in the process of fine-tuning their own positions and aligning with the other main players ahead of the important ministerial meeting in Hong Kong at year’s end. The main battle lines had been drawn, but the fronts had not yet hardened with Brussels and New Delhi glaring at each other from across the trenches. While India had already begun to shift focus and enter into negotiations for several preferential trade agreements, the EU was still holding out, only willing to consider them as a second-best option in the event of a breakdown in the WTO process.

Consequently, the Joint Action Plan only established a High Level Trade Group to explore, among other things, the “possible launch of bilateral negotiations on a broad-based trade and investment agreement.” After several rounds of exploratory talks on a Free Trade Agreement, actual negotiations did not start until 2007, when the Doha Round had become effectively deadlocked.

Since then, several “soft deadlines” for conclusion have been set and missed. In the margins of the last summit in Delhi in February, the EU described October 2012 as a realistic target date to finalize the agreement, while the Indian side preferred to remain silent on the issue. The difficulties that stand in the way of wrapping up the negotiations can partially be linked to the ambitious goals set for the agreement from the beginning, but others did not surface until a later stage of the negotiations and must to some degree be attributed to their slow pace.

In contrast to the preferential trade agreements India concluded so far that contained substantial negative lists, the EU insisted that the agreement cover at least 90 percent of the bilateral trade volume. Beyond trade in goods and services, Brussels also wanted to see issues like intellectual property rights, public procurement, and competition policy included, as well as references to environmental and labor standards. With such a broad and diverse agenda on the table, the talks first concentrated on the low-hanging fruit and appeared to make good progress. As negotiators approached the more controversial parts of the package, the process began to slow down.

Among the divisive issues, India has consistently opposed any enhanced intellectual property rights clause beyond the standards of the multilateral Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. Europe has remained reluctant to open the borders for Indian service

providers, notably in Great Britain with its sizeable Indian diaspora.⁴⁴ In the meantime, the recalculation of offensive and defensive interests on both sides in light of changing market trends and conditions has brought additional obstacles to the fore. The automotive sector, with its powerful lobbies in the EU as well as in India, has emerged as one of the main battlegrounds and a potential deal breaker. While the EU demands massive cuts in India's prohibitive tariffs, India wants to protect the substantial foreign investment that the booming domestic market has attracted in recent years.⁴⁵

The changes in the overall political and economic atmosphere since the announcement of the strategic partnership have not helped the prospects for further liberalization between the EU and India. Europe faces economic contraction and further loss of competitiveness vis-à-vis the emerging economies. India's reform process has effectively stalled and seems unable to get out of the doldrums without a major political shake-up. The same forces that prevented the opening of the Indian retail market to foreign investment have voiced their objection to the EU Free Trade Agreement. Both the BJP and the Communist Party have called for an immediate halt of the negotiations, and the 2012 Delhi summit was accompanied by large demonstrations of vendors, small traders, and other interest groups opposed to any agreement that would lower the tariff barriers and let in foreign competition.

Unlike India's previously concluded preferential trade pacts, the planned accord with the EU has become highly politicized, and many observers doubt that the government would want to sign it without a parliamentary debate, though this is not required by law. After the last round of state elections dealt another setback to the Congress party's coalition government in Delhi, it remains uncertain whether India and the EU will be able to reap the benefits of the estimated substantial increases in trade volume and foreign direct investment in the near future. Still, the Free Trade Agreement remains the most tangible deliverable of the EU-India strategic partnership.

Sectoral Cooperation

If the Joint Action Plan has been dismissed by critics as a "Christmas wish list" compiled without serious effort or at least without much success in separating the essential from the incidental, and the desirable from the achievable, these weaknesses are most obvious in the sectoral cooperation section of the document. Under the slightly misleading heading of "Economic Policy Dialogue and Cooperation," the longest chapter of the Joint Action Plan lists a broad range of areas where the EU and India want to discuss their policies and regulatory frameworks, create joint projects, negotiate sectorial agreement, or advance a common agenda multilaterally. Some of these areas are

The changes in the overall political and economic atmosphere since the announcement of the strategic partnership have not helped the prospects for further liberalization between the EU and India.

closely connected to the Free Trade Agreement negotiations like agriculture, customs, or pharmaceuticals and biotechnology. Others were identified earlier as priority areas for Indo-European cooperation like development cooperation, science and technology, energy, or information and communication technology. This section of the document comprises rather diverse aspects and different historic layers of the relationship and thus appears the most eclectic. As in the other chapters, the resulting “action” varies greatly and can be as nondescript as a “periodic exchange of views.”

Some of the more important agenda items have since become the subject of separate summit documents like the Joint Work Program on Energy, Clean Development and Climate Change (2008) or the Cooperation Agreement on Fusion Energy Research (2009). While India is focused on enhancing energy security, diversifying its energy mix, increasing the share of renewables, and improving energy efficiency as the more immediate goals, the EU sees energy cooperation with India in the wider context of mitigation of climate change. This notion of functionality is quite apparent in the text of the Joint Work Program, which dwells more on common objectives for the multilateral climate talks than on joint energy projects.

Linking Societies

A separate chapter of the Joint Action Plan sets the objective of “bringing together people and cultures.” It combines previously established formats like the Joint Working Group on Consular Issues or the India-EU Round Table with proposals for new initiatives, notably regarding educational exchanges and joint cultural projects. The common denominator of these otherwise unrelated elements is the need for the relationship to grow deeper roots in India’s and Europe’s democratic, pluralistic, and open societies. As a particularly important group of stakeholders in this context, legislators get special attention. The Joint Action Plan proposes the creation of EU-India friendship groups in the European Parliament and the Lok Sabha as the institutional conduit to organize regular visits and political exchanges between the two.

The parliamentary dimension of the strategic partnership has, unfortunately, remained a rather one-sided affair. In 2007, the European Parliament formed a delegation for relations with India that meets regularly and has repeatedly visited India. A counterpart body in New Delhi existed briefly prior to the 2009 elections but was not re-created after the new legislature was seated. The invitation by the president of the European Parliament to the speaker of the Lok Sabha to co-chair an interparliamentary meeting before an EU-India summit has been left unanswered since October 2009. Although European lawmakers have established informal contacts with mostly younger Indian colleagues through other channels like member state-funded exchange programs, business organizations, and NGOs,⁴⁶ there is a strong sense of frustration over

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There is a strong sense of frustration over New Delhi's apparent lack of interest in a regular parliament-to-parliament dialogue, which sets India apart from the EU's other strategic partners.

The idea of a formalized civil society dialogue as an advisory panel and a sounding board for the official relations between EU and India predates the strategic partnership. First convened in 2001, the EU-India Roundtable met semiannually to discuss a wide range of economic, social, and political topics. The hope was to create a network of contacts between the various nongovernmental interests represented in this exchange. This incubator role, however, did not materialize, and the highly formalized structure of the dialogue prevented it from adding real value in the form of independent, out-of-the-box input. While the Indian participants were selected from business, academia, and NGOs by the government, which continued to chaperone the meetings, the European side was composed of members of the European Economic and Social Committee (EESC), a statutory EU advisory body formed in 1958 to give employers, employees, and other interest groups a voice in the creation of the common market.

This proved to be a recipe for failure. The recommendations of the roundtable meetings posted on the EESC website more than evenly match most EU-India summit communiqués in their evasive language, repetition of known facts, and lack of tangible new substance. These documents were, however, quite firm in their repeated demand that the two co-chairs should participate in the summit meetings to formally present their findings. In the end the Indian government, disappointed with the results and already struggling with the duality of EU Council and Commission, decided to discontinue the roundtable after a last meeting in 2008.

Other components of the people-to-people agenda comprised in the Joint Action Plan fared better. The creation of a special "India Window" for the EU's Erasmus Mundus scholarship program gave a significant boost to academic exchange, though the initial focus on natural sciences at the expense of the humanities limited its full potential, and obtaining work permits after graduation remains a challenge in spite of loosened legal restrictions in some member states. These shortcomings aside, the program has been instrumental in introducing Europe to young and mobile Indians as a good-value alternative to studying in the United States.

What Is Holding the Partnership Back?

Shared Values Do Not Equal Shared Interests

Unlike the mostly upbeat commentary and analysis focusing on the new dynamics in the relationship between India and the United States in the same time period, the first publicized appraisals of the EU-India strategic partnership tended to be subdued on future prospects. Following the completion of the historic nuclear deal in 2008, overly optimistic expectations in Washington and New Delhi have seen some readjustments, but the long-term importance of the partnership is not called into question. By contrast, since 2005, the EU-India relationship has not received any new impulse substantial enough to create a more enthusiastic outlook. With slow and only incremental progress in implementing its Joint Action Plan, it rather trudges along from summit to summit, occasionally issuing a new joint declaration or a similar document without adding much in terms of new substance, but seemingly trying to reassure each other of continued commitment.

A common feature that makes the strategic partnerships with both the EU and the United States stand out among India's other special relationships is the invocation of shared creeds and norms as their fundament: democracy, pluralism, human rights, and the rule of law. The official documents exhibit, however, one slight but significant difference. While the India-EU Political Declaration on the Strategic Partnership of September 2005 is grounded in "shared common values and beliefs" and "a shared responsibility to contribute to international peace, security and prosperity," the joint statement of President Bush and Premier Singh issued two months earlier explicitly builds the new global partnership between the United States and India on "common values and interests." The fact that the second qualifier does not appear in the preamble of the Joint Action Plan as well makes it difficult to dismiss this omission as purely accidental.

There are of course policy convergences between India and the EU and common objectives as stated in the partnership documents. But these relate more to general principles for the global order than to the role each side hopes to play in it or what it would expect to get out of it. Geopolitical distance and each side's preoccupation with their own neighborhood contribute to what a critical perusal of the 2010 summit statement described as "no real sense of shared interests" aside from the fight against terrorism, and despite the "zones of instability which lie between them."⁴⁷

For India, terrorism as a shared priority concern is inseparable from the conventional security threats it faces in South Asia. The most significant foreign policy and security challenges remain in its neighborhood, and primarily relate to Pakistan and China. This regional focus also provides the frame of reference for India's political engagement with outside powers. Not

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surprisingly, charges of infatuation with China and leniency toward Pakistan continue to be among the most popular reproaches leveled against the EU in the Indian public square.

Tense relations with its neighbors and the primacy of regional security interests have for decades shaped the Indian approach to multilateralism. After the failed attempt to get UN backing for its claims on Kashmir in 1948, New Delhi was adamant that the organization stay out of its backyard, though it continued to use the UN as a rostrum to advance its principles of nonalignment and third world solidarity. Having become less vocal in emphasizing equality and nondiscrimination as the ground rules for the international order, India's understanding of its role in the multilateral system remains in transition and marked by ambivalence. The endorsement given to the European vision of a multilateral order must be interpreted within the limitations that the prerogatives of the sovereign nation state impose on it.⁴⁸

As India's own pursuit of great power status is shifting "the traditional emphasis on equality and justice to the imperatives of order and stability"⁴⁹ as well as to selective coalition-building with other emerging powers, long-held Indian positions have come under strain. This is most obvious in the attempts to come to terms with the sequence of political, social, and economic convulsions dubbed as the "Arab Spring." As the major source of its oil imports, the workplace for some 6 million expatriate Indians whose remittances are a crucial item in the country's capital account, and one of the most important export markets, the strategic significance of the region that New Delhi insists on calling "West Asia" continues to grow. As home to the world's third-largest Muslim population, India is wary of possible domestic repercussions. Against this background, the popular uprisings against the autocratic regimes in the Middle East and North Africa, the Western responses and the positions taken by the Indian government have become subject of an intense debate in the media and among foreign policy analysts.

While publicized opinion remained highly suspicious of American and European claims to a "right to protect" in Libya and mostly applauded India's abstention during the UN Security Council vote on the issue, the ongoing bloodshed in Syria has driven a wedge in this consensus and led some commentators to question both New Delhi's political premises about the region as well as its allegiance to the sacrosanct principles of nonintervention and inviolability of national sovereignty. Not surprisingly, this controversy also reveals a generational element. Many senior representatives of India's foreign policy establishment strongly advocate staying clear of what they primarily see as an escalating regional rivalry between Saudi Arabia and Iran⁵⁰ and insist that New Delhi must "stoutly oppose the West's brazen effort to turn the championship of democracy and human rights into a cover for regime change."⁵¹

The argument that choosing to remain on the sidelines in Syria and elsewhere might not make a very convincing case for permanent membership in the Security Council is mostly pressed by younger voices less molded by non-aligned thinking.⁵²

In the meantime, old habits seem to die hard. India's much-commented-upon decision to dissociate itself from Russian and Chinese opposition and support the Security Council resolution on Syria in February 2012 cannot yet be interpreted as proof of a general course reversal in New Delhi. When a broadly sponsored resolution condemning the excessive use of force by the Syrian government came up for a vote at the UN Human Rights Council in Geneva only three weeks later, India, unlike fellow South Asian council members Bangladesh and the Maldives, reverted back to abstention as the polite form of dissent by UN protocol.

While India's opposition to European calls for regime change seems to qualify it as status quo-oriented in the Middle East, the roles are reversed when it comes to the multilateral order as a whole. Some of its key features like the composition of the UN Security Council or the distribution of voting rights in the international financial institutions continue to mirror the postwar world, frozen in time. Europe is not ready to part with the disproportional representation and influence this order affords it vis-à-vis the emerging new global powers and has become a main obstacle to reform. As a "saturated power" and beneficiary of the status quo, Europe leans on multilateral institutions to promote its own norms for global governance. India, on the other hand, has emerged as a revisionist force, no longer satisfied to play by the rules others have imposed or, as in the case of the nonproliferation regime, simply opting out of them. Instead it wants to have a say in the redesign of these rules, and this is an area where Indian and European interests so far tend more to diverge than to converge.

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Attitudes Matter

Differences in interests and priorities are exacerbated by persistent prejudices and a mutual lack of understanding and appreciation. In the words of one EU expert, "Officials in Brussels and Delhi whinge about each other. Those from the EU complain that their counterparts in Delhi are arrogant and under-resourced . . . Indians moan about the patronizing attitudes of Europeans and the Byzantine complexities of the Union."⁵³ For anyone trying to explore the current emotional state of the EU-India relationship, this assessment remains very much up to date. The EU's confusing distribution of competences, the arcane and slow-moving procedures, as well as the gap between EU ambition and capability remain a major source of frustration for Indian government representatives and others dealing with Europe. Those who no longer hold

public office are more likely to add that the choices made for the new leadership positions created by the Lisbon Treaty failed to send the message that this ambition needs to be taken more seriously in Delhi.

The unflattering Indian views of Europe contributing to this uneasy and sometimes testy state of emotions are fairly well documented. In its majority, the foreign policy community in New Delhi harbors serious doubts that the old continent will be able to unite its remaining national strengths in the near future and flatly dismisses the EU as an unimportant political player. Meanwhile, the eurozone debt crisis has reinforced the notion that the continent is also in economic decline.⁵⁴ The perception of Europe as an exhausted and sclerotic “has-been” hanging on to a standard of living it can no longer afford, contrasted with the Indian self-image of a highly dynamic society driven by a spirit of innovation and entrepreneurship, has become a popular stereotype in Indian public opinion. Even well-meaning commentators warn “that India could write off Europe as charming but irrelevant, a continent ideal for summer holidays, not for serious business.”⁵⁵ There is a strong feeling that Europeans need to get off their habitual soapbox, fix their own deep-rooted problems, and prove that they are still relevant on a global scale before they can lecture others about human rights, democracy, or how to address climate change.

European misgivings about their Indian counterparts and India’s comportment as an emerging global power are less written about and seldom voiced in public. Off the record, EU officials point out that India continues to be their most difficult strategic partner. In the eyes of many European officials, India has acquired a reputation of being an inflexible negotiator and a potential spoiler, unwilling to yield and adapt its positions where compromise seems still possible. One of the better-known examples of this obstructionist style of diplomacy is the notorious “I reject everything!” by Indian Trade Minister Kamal Nath in the final session of the aborted WTO Doha Round 2008.⁵⁶ On the micro level, Europeans articulate in particular a sense of frustration with the ways New Delhi’s Ministry of External Affairs conducts its business vis-à-vis the EU and its member states and with the mind-set this seems to reflect, ranging from aloofness to barely hidden disregard. Aside from a general desire for easier access and better responsiveness, European diplomats complain that the ministry has repeatedly turned out to be a black hole where their communications have vanished without a trace.

Another irritant in the relationship is the bad habit of comparing the partner’s perceived or actual shortcomings with the advantages third parties offer. While Indians frequently complain about Europe exhibiting a strong China bias, they invariably refer to the United States as the benchmark of their expectations vis-à-vis the EU. In this narrative, the nuclear deal usually becomes the model for how Indians believe their country’s particular needs ought to be accommodated by others because of its importance and impeccable record. In New Delhi, the willingness of the previous U.S. administration to make

a far-reaching exception for India in its nonproliferation policies without a quid pro quo produced some form of a normative effect and appears to have become the new yardstick for assessing the usefulness of the U.S.-India relationship. This line of asymmetric thinking also found its way into a recently published U.S.-India policy document that concludes that, in terms of defense and dual-use technology, Washington “should treat India as equivalent to a U.S. ally (...), even though India does not seek an alliance relationship.”²⁵⁷

The EU does not employ the term “ally” and is not in a position to match such overtures. It is generally reluctant to offer one-sided concessions to partners deemed equal and, in many areas of particular interest to India, does not have the competence to do so in the first place. Brussels’ inability to accommodate New Delhi and to deliver like Washington is a recurrent theme in the exchanges between Indian and EU officials, and it is often laced with an element of disdain.

Limited Liability Partnership?

The structural asymmetries remain a major roadblock for expanding the partnership, and Indian complaints about the lacuna between the EU’s political rhetoric and its ability to live up to it are not without justification. While the EU continues to broadly advocate for closer cooperation in the fight against terror, for example, India has repeatedly voiced its interest in concluding legal assistance and extradition treaties with the union as concrete measures to this end. Presumably a first step in this direction, the joint declaration on international terrorism of December 2010 vows “to explore the possibility” of such agreements. In reality, however, the European Commission’s legal directorate in charge of the dossier has come to the conclusion that the likely benefits for the EU would not be worth the arduous, multiannual effort to try to integrate the existing patchwork of treaties between India and individual EU member states into one superseding agreement. India’s request is unlikely to emerge from this dead end.

For India, the most striking example of this capability and credibility gap concerns the very centerpiece of the multilateral order Europe wants to make more effective—the UN Security Council. Though opinions vary on where exactly a permanent seat for India ranks on the national priority list and how much effort should be put into its pursuit under the prevailing unfavorable circumstances, there is unanimity that India deserves a place in this elite club in its own right and that this will happen in the fullness of time. In the meantime, unequivocal support for India’s claim is seen as a crucial friendship test in foreign relations.

The EU, internally divided on the issue, remains unable to pass this test. While fellow aspirant Germany has joined forces with India, Japan, and Brazil in the G4, London and Paris have also put their support for New Delhi’s bid on record. On the other end of the spectrum are Italy and Spain, which have

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linked up with countries like Pakistan and Mexico in the “Uniting for Reform” initiative to block the G4 effort. Many smaller EU member states favor the concept of a single EU seat in this august body, an idea that is anathema to current permanent members UK and France. For all the emphasis laid on “effective multilateralism” by the EU, references to UN reform or the Security Council are nowhere to be found in the documents establishing the strategic partnership.

Though Brussels has been eager to advertise the changes instituted by the Lisbon Treaty as something close to a quantum leap for its foreign policy, India, aside from summit protocol and other procedural aspects, is yet to feel any substantial effects on its relationship with the EU. From Delhi's viewpoint, the EU's top representatives can still only speak authoritatively on a limited number of topics, hide behind national competences where they find it convenient, and on balance remain unable to commit Europe politically.

Public Opinion Disconnect

Another detracting factor is weak societal ties and a general lack of public interest underpinning the relationship. Where it exists, the public image of the other side continues to mirror cultural stereotypes. Europeans think of India mostly as a colorful tourist destination, populated by some bright young software engineers, but far too many very poor people. Middle and upper class Indians associate Europe with a pleasant lifestyle, good food and drink, and as a picturesque backdrop for romantic Bollywood movies. Europe is perceived as the geographical sum of those nations that have gained a certain cultural and economic profile in India, not as an entity of its own. As the political superstructure encompassing this geographical space, the EU hardly figures on the Indian mental map beyond the small circles of those who have to deal with it directly. The few and very basic opinion poll data available from BBC or Pew on European perceptions of India, and vice versa, confirm the overall notion of ignorance, skeptical distance, and mutual disinterest. In some European countries like France and Spain negative perceptions of India outweigh positive views, presumably also reflecting fears of service jobs being “bangedored.”⁵⁸

In contrast to the pervasiveness of American popular culture and lingo especially among the English-speaking younger generation, Europe's presence in everyday life in India is largely reduced to luxury goods for the wealthy and the transmission of English Premier League soccer matches on satellite television. Though cultural affinities toward the former colonial masters among the elite have faded more than sixty years after independence, the Anglo-Saxon media continue to condition Indian perceptions of Europe to a large degree, giving the United Kingdom, with its substantial Indian population, an oversized share, to the detriment of continental Europe. In the EU, Indian cuisine,

films, and music have gained in popularity, but the country, unlike China, hardly finds more than an occasional reference in the news.

Media coverage of EU-India relations has been scant at best and done little to raise broader public awareness of the respective partner's importance. The initiation of the strategic partnership received only limited attention in reporting and commentary.⁵⁹ Subsequently, media interest narrowed down to the negotiations of the Free Trade Agreement, and commerce has become the only covered aspect of the relationship between high-level meetings. In the absence of a long-awaited breakthrough, the 2012 summit turned into a media non-event.

The Indian diaspora in Europe is largely concentrated in the United Kingdom, and in contrast to its prominent presence in business and in the medical profession in the United States, is not associated with exceptional upward social mobility. And unlike their American cousins with their well-organized, powerful lobby, and several holders of high public office, Indians in Europe have little political influence. The success stories in the United States receive much media attention at home and offer strong incentives for mobile and ambitious young Indians to pursue their own studies and careers there. Most upper-middle-class households in New Delhi or Mumbai can name at least one extended family member who lives or has lived in America, including the country's political elite. Against this strong draw, efforts to increase the number of Indian students at European universities face an uphill battle. With the help of targeted EU funding and an increased choice of English-language curricula they have been reasonably successful, but still pale in comparison to the U.S. figures.

What Needs to Happen?

Clear the Hurdles to the Free Trade Agreement

After five years of on-and-off negotiations, the trade deal has turned into a litmus test for both sides' commitment to the strategic partnership. Mutual economic benefit will continue to serve as the backbone of the Indo-European relationship for the foreseeable future, and a growing political partnership cannot be built upon a shrinking or stagnant foundation. The concerns voiced by some of the key industries on both sides have to be taken seriously and need to be addressed in the final compromise package, but special interests should not be allowed to unravel what is now on the table and kill the deal altogether. The government in New Delhi finds itself in rougher political waters after the last round of state elections but

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will need to do a better job in facing up to the populist pressure the opponents of further economic liberalization have been whipping up. On balance, both sides stand to gain much more from the Free Trade Agreement than they stand to lose. If the project were to be shelved for some uncertain future after India's next general election in 2014, the whole EU-India partnership would slide into long-term hibernation.

Beyond this most pressing priority, European and Indian business leaders and their umbrella organizations need to play a stronger role in the partnership, starting with the summit formats. The original idea of a "business summit" organized back-to-back with the political summit degenerated quickly into a highly ritualistic exchange of prepared statements and attracted fewer and fewer corporate heavyweights. For the 2012 summit in Delhi, the event had to be downgraded to a "business roundtable." As long as trade and investment remain the main drivers in the relationship between Europe and India, however, a focused and consistent dialogue between the economic stakeholders as well as with political leaders and officials from both sides is essential. This exchange could take the form of sectoral business conferences for agreed upon priority areas like transport infrastructure or energy, and include operators, contractors, suppliers, financial institutions, as well as high-ranking government representatives.

Make More Out of Less

In order to really move from talk to action on the political aspects of the partnership, both sides need to focus on a short list of shared priorities they can agree on. The 2012 summit and the high-level meetings in the run-up to it have been steps in the right direction, but the EU-India relationship is not quite there yet. Consultations continue to be important, but more than six years after the presentation of the Joint Action Plan the partnership is yet to justify the term "strategic" by concerted regional or multilateral activities. Nontraditional threats to security appear to be a shared priority upon which the two can capitalize. But, for instance, with regard to the antipiracy measures mentioned in the summit statement, agreeing to cooperate in the escorting of World Food Program shipments to Somalia "in principle" is not enough anymore. Visible practical cooperation is now needed.

Besides more serious efforts to prune the summit agenda, the whole partnership architecture should be subject to a critical and frank review. All existing EU-India joint committees, working groups, and dialogue formats need to be scrutinized with regard to mandate, composition, expectations, and outcomes so far achieved. A body that has not met in several years obviously does not serve a common purpose and does not need to be kept on the books. The partnership architecture should provide a framework to concentrate limited resources on shared priorities.

Recruit More Stakeholders

In contrast to the ambitious intentions reflected in earlier summit documents, the EU-India relationship has increasingly been reduced to a one-dimensional, uninspired, government-to-government affair. It has stimulated a fair amount of scientific and educational exchange, but other envisioned planes of the partnership that would have been important for giving it more momentum and a higher public profile did not materialize or have even regressed. Key deficit areas are interparliamentary contacts, civil society dialogue, and business-to-government exchanges. Technicalities play their part here: While visiting heads of national governments customarily take along business leaders, legislators, important public figures, as well as journalists in their official airplanes, the presidents of the European Council and the European Commission travel with only a small entourage from their own staff. The EU is not likely to get its own executive airwings anytime soon, but its top officials could start to invite members of the European Parliament and corporate executives of big trans-European companies invested in the host country to accompany them to the summit meetings.

One way to kickstart the stalled institutional dialogue between European and Indian lawmakers would be to include a meeting in the summit choreography. A more regular, more substantial, and more visible inclusion of the legislative branch in the partnership between “the world’s largest democracies” would give it better political grounding at home and might help reduce the build-up of tensions around sensitive issues like the Free Trade Agreement.

Refloating the foundered civil society dialogue would serve the same purpose but might require a new approach with a formula different from the one used for the EU-India roundtable. The Indian government and the European Economic and Social Committee should take a backseat and concentrate on creating NGO exchanges and self-sustained networks around the relevant issues, but keep out of the thematic discussions and try not to micromanage the agenda.

The EU-India relationship is not driven by the kind of broad popular support and bottom-up dynamics that characterize the U.S.-India link. It is unlikely that Europe will be able to emulate in the nearer future America’s draw as the land of opportunity Indians feel most attracted to. Europe can, however, capitalize better on its cultural, educational, and technological strengths and increase its efforts to incentivize young Indian talent to study and work in the EU. This would include maintaining a high level of funding for scholarship programs as well as further liberalizing visa requirements. Creating more opportunities for a full immersion-exposure of the next generation can create lifelong affinities and is the best possible investment in the EU-India partnership.

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Match Priorities and Resources

While dialogue does not generate much cost other than travel expenses, joint actions do. Until now, the EU had financed most of the activities covered by the Joint Action Plan out of its development cooperation budget for India.⁶⁰ This option will not be available after 2013, when India and other emerging economies cease to receive EU aid. The structure and the financial endowment of the new “partnership instruments” with which the EU intends to fund cooperation with its strategic partners in the future are still the subject of internal debate in Brussels. Both will be crucial.

If this new funding facility is to serve the EU’s larger objectives for engaging India, it will have to be able to support interventions in identified priority areas such as the fight against terror, antipiracy operations, and cybersecurity or energy cooperation. As the political coordinator on the EU side, the European External Action Service needs to have a say as to how the money is allocated and spent. A continued unwillingness of the European Commission to share its budget authority with the EU’s new diplomacy arm would seriously undermine the claim that the Lisbon Treaty constitutes a major step toward a unified European foreign and security policy and further reinforce Indian euroskepticism.

Outlook

The EU and India have built a multitiered institutional architecture to expand their partnership, but its substance can still hardly be called “strategic.” To justify this term, it would need to move beyond the bilateral and from dialogue to joint action on a regional or multilateral level. This has not happened so far in any of the areas covered by the strategic partnership declaration. Efforts to invigorate the relationship and move it to a higher level continue but are faced with skepticism and adverse framework conditions on both sides. Barring the overdue conclusion of the Free Trade Agreement, the partnership is at risk of stagnation and political marginalization.

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The evident underperformance of the EU-India partnership points to more fundamental deficits on both sides that impact on their explicit or implicit global power ambitions. In the case of the EU, this deficit remains first and foremost a capability gap. Brussels has spelled out its vision for a strong EU role in global governance, yet continues to lack the competences necessary to fully commit Europe on most political and security matters. In order to advance from its present status as a great economic power to being a global strategic player, the EU will have to move much closer toward political union at home. In its present state, it is more aptly described as a

“partly submerged” than as an emerging power. This capability gap will not only continue to limit the scope and intensity of cooperation with India but the EU’s other strategic partnerships as well.

Eyed through the prism of the EU-India partnership, India’s great power deficit appears to be less one of ability than of political will. Though its impressive democratic credentials, benign record, and its former role as the standard-bearer of the Non-Aligned Movement earn India high political credibility in most parts of the world on top of its growing economic stature, it seems reluctant to capitalize on this. Unwilling to break with the creeds that have guided its foreign policy since independence but, rather, trying to conserve them by adapting them to the emerging new multipolar order,⁶¹ India remains wary of assuming global responsibilities that might impose limitations on the options available for pursuing its own immediate national interests. There seems wide acceptance in the body politic of the idea that India must lead by “the power of its example” and “its ability to stand for the highest human and universal values,”⁶² but less consensus on the implications for the positions to be taken at the UN and in other multilateral settings. While India is becoming comfortable with its new weight as an emerged power, it does not appear quite ready yet to step up to the plate as a co-manager of the global order.

Notes

- 1 In a 2007 Pew Global Attitudes survey, 93 percent of Indians polled viewed their own culture as superior to all others—more than in any other country in which the survey was conducted.
- 2 IMF data for 2010, published September 26, 2011.
- 3 When the National Planning Commission announced in March 2012 that the nationwide average of people living below the poverty line had fallen to 29.9 percent, the findings drew sharp criticism from all sides of the political spectrum, given that the official definition is set at Rs. 28.35 per person/day for urban and Rs. 22.42 for rural dwellers—about 44 and 55 U.S. cents, respectively. An independent survey found 42 percent of all children in India to be underweight, decried by Prime Minister Manmohan Singh as a “national shame.” *Times of India*, January 10, 2012.
- 4 Some of the most recent available statistics cited by C. P. Chandrasekhar, “No jobs out there,” *Hindu*, July 2, 2011.
- 5 “Naxalism biggest threat to internal security: Mamohan,” *Hindu*, May 24, 2010.
- 6 A differing view is offered by Rajiv Sikri, who sees the developing countries as “India’s natural constituency.” Rajiv Sikri, *Challenge and Strategy: Rethinking India’s Foreign Policy* (New Delhi: Sage Publications, 2009), 290.
- 7 Address to the Combined Commanders’ Conference, New Delhi, September 13, 2010.
- 8 Shyam Saran, “Geopolitical Consequences of the Global Financial and Economic Crisis,” Speech at the India Habitat Centre, New Delhi, April 26, 2010.
- 9 Rohan Mukherjee and David Malone, “From High Ground to High Table: The Evolution of Indian Multilateralism,” *Global Governance*, vol. 17, no. 3, July–Sept. 2011, 312.
- 10 Address by Shiv Shankar Menon at the Indian Council of World Affairs, New Delhi, April 1, 2010; C. Raja Mohan, “Rising India: Partner in shaping the global commons?” *Washington Quarterly*, July 2010, 138.
- 11 The 2011/12 Global Competitiveness Report released by the World Economic Forum groups Sweden, Finland, Germany, Netherlands, Denmark, and the UK among the top ten, but the EU’s southern tier countries only in midfield with Greece trailing at a distant 90th place.
- 12 Jan Techau, “Time for Strategic Europe,” *European Voice*, October 20, 2011.
- 13 Stefan Lehne, “Can Lisbon’s Potential Be Realized?” *Strategic Europe*, Carnegie Europe, September 27, 2011, <http://carnegieeurope.eu/publications/?fa=45608>.

- 14 Dharma Kumar, "India as a Nation-State," cited in Ramachandra Guha, "The Colours of India," *Hindu*, October 4, 2005.
- 15 India's share of world trade fell from 2.2 percent in 1948 to 0.5 percent in 1983, Cf. Lakshmi Puri, "India Rising: Strategic Issues in the International Trading System," in *Indian Foreign Policy: Challenges and Opportunities*, edited by Atish Sinha and Madhup Mohta (New Delhi: Academic Foundation, 2007), 1060.
- 16 Cf. Gulshan Sachdeva, "India and the European Union: Broadening Strategic Partnership Beyond Economic Linkages," *International Studies* 45/4 (2008): 344.
- 17 The EU accounted for 18.7 percent of all Indian exports and 13.8 percent of imports. IMF and Eurostat data for 2010 published by the European Commission, DG Trade, on June 8, 2011.
- 18 Mauritius remains at the top of official Indian FDI charts, since many foreign (and Indian) investments are routed through the small island state due to loopholes in its Double Taxation Avoidance Treaty with India. The picture is further complicated by the fact that, deviating from international standards, Indian FDI statistics do not include the substantial reinvested earnings from foreign subsidiaries in India. The aggregated sum of investments from EU member states such as the UK, Netherlands, Germany, France, Italy, and Spain, however, continue to outweigh U.S. investment in India by a considerable margin.
- 19 Sikri, *Challenge and Strategy: Rethinking India's Foreign Policy*, 234.
- 20 Rajendra M. Abhyankar, "India and the European Union," Guest lecture at Indiana University, Bloomington, April 2011.
- 21 Cf. the website of the Indian Embassy in Brussels www.mea.gov.in/staticfile/IndiaEUaugust2011.pdf.
- 22 Gauri Khandekar, "The EU and India: A Loveless Arranged Marriage," FRIDE Policy Brief no. 90, August 2011. The title of the joint article by the presidents of the European Commission and the European Council published in the Indian press prior to the twelfth EU-India summit in New Delhi, "Both in it together," conveys a similar sense of cheerlessness, *Hindustan Times*, February 6, 2012.
- 23 Video message released before the EU special summit in Lisbon on September 16, 2010.
- 24 Cf. Rajendra K. Jain, "India and the European Union—Building a Strategic Partnership," in *India's New Dynamic in Foreign Policy*, edited by Subrata K. Mitra and Bernd Rill (Munich: Hanns Seidel Stiftung, 2006), 87.
- 25 Cf. Christian Wagner, "India's Soft Power: Prospects and Limitations," *India Quarterly* 66 (4) 2010, 333–42; Patryk Kugiel, "The European Union and India: Partners in Democracy Promotion?" Polish Institute of International Affairs Policy Paper no. 25, February 2012.
- 26 *Times of India* editorial on the UN Human Rights Council resolution against Sri Lanka, March 15, 2012.
- 27 Rajendra Abhyankar, October 2, 2010. Daniel Twining/Richard Fontaine, "The Ties that bind? U.S.-Indian Values-based Cooperation," *Washington Quarterly*, 34 (2), 2011, 194.
- 28 "A Secure Europe in a Better World," European Security Strategy, Brussels, December 12, 2003.

- 29 Sunil Khilnani, “Bridging identities: India as a positive power?” in *Through a Billion Voices: India’s Role in a Multipolar World* (Berlin/London: Foresight, 2010), 13–16.
- 30 Cf. *India’s National Action Plan on Climate Change*, June 30, 2008.
- 31 While the majority of Indian media comments applauded the government’s success in safeguarding the country’s development agenda against the pressure from “rich” countries, a dissenting voice decried the Copenhagen Accord as “an illegitimate, ill-conceived, collusive deal between a handful of countries that are some of the world’s greatest present and future polluters.” Prawful Bidwai, “Fouling Up the Air,” *Frontline* 27(2), January 16, 2010.
- 32 Connie Hedegaard, “Climate Change: India a Constructive Force in Durban,” *Economic Times*, January 9, 2012. Jayanthi Natarajan responded in a letter to the editor printed December 21, 2011, to an editorial in the *Hindu*, “India lost the plot in Durban,” December 13, 2011. See also her statement in the Lok Sabha of December 16, 2011, <http://pib.nic.in/newsite/erelease.aspx?relid=78811>.
- 33 “Address to the Combined Commanders’ Conference,” New Delhi, September 13, 2010.
- 34 “Speech at ASEAN Business Advisory Council,” Kuala Lumpur, December 12, 2005.
- 35 C. Raja Mohan, “Delhi Durbar: The Manmohan Doctrine,” *Daily Times*, February 28, 2005.
- 36 Speeches at the *Hindustan Times* Leadership Conference, November 5, 2004, and at the *India Today* Enclave, February 25, 2005.
- 37 Most recent Indian publications foresee only a marginal role for the EU in the next decades. One assumed “multipolarity” scenario concludes that “the EU becomes gradually irrelevant outside of Europe.” Raja Menon/Rajiv Kumar, *The Long View from Delhi: To Define the Indian Grand Strategy for Foreign Policy* (New Delhi: Academic Foundation, 2010), 159.
- 38 “India’s Strategic Partners: A Comparative Assessment,” Foundation for National Security Research, November 2011.
- 39 Karine Lisbonne-de Vergeron, *Contemporary Indian Views of Europe* (London/Paris: Chatham House/Robert Schuman Foundation 2006), 6.
- 40 cf. Christophe Jaffrelot/Waheguru Pal Singh Sidhu, “Does Europe matter to India?” in *European Security in a Global Context*, edited by Thierry Tardy (London: Routledge, 2008), 198.
- 41 This includes collective naval operations against Somali pirates. Cf. the statement of Ambassador Puri at the Security Council on September 14, 2011.
- 42 Cf. the report of the II. India-EU Forum on Effective Multilateralism, Brussels, October 11–12, 2010, published by the European Institute for Security Studies, Paris.
- 43 According to an anonymous Indian diplomatic source, the EU and India had planned to ink a “Cyber Crime and Cyber Security Pact” at the summit: “EU urges India to join Euro 52.5b Worth Cyber Security Project,” *Financial Chronicle*, January 2, 2012.
- 44 According to a leaked EU proposal, the UK was supposed to admit 12,000 of the 40,000 Indians allowed to work in Europe under the agreement. *Times of India*, March 2, 2012.

- 45 The Free Trade Agreements with Japan and South Korea, key investors in this area, exclude the automotive sector.
- 46 According to Graham Watson, Chairman of the EP's India delegation, the virtual "Climate Parliament" (www.climateparl.net) has also become an important link between European and Indian legislators.
- 47 Richard Gowan/Sushant Singh, "Atlas of Indo-European Strategy," *Mint*, December 19, 2010.
- 48 In this context, the Indian discourse on multilateralism has been called a "myth" and "a smoke screen, designed in particular for European consumption." Christophe Jaffrelot, "India and the European Union: The Charade of a Strategic Partnership," *EurAsia Bulletin* no. 10 (2006). At this juncture, C. Raja Mohan's verdict was similarly harsh: "Indians Pay Lip-Sympathy to the Notion of Multilateralism." C. Raja Mohan, "Prerequisites for Foreign Policy and Security Interactions between Europe and India," in *Rising India—Europe's Partner?* edited by Klaus Voll and Doreen Beierlein (Berlin: Weisensee, 2006), 260.
- 49 C. Raja Mohan, "Rising India: Partner in Shaping the Global Commons?" *Washington Quarterly* 33:3, July 2010, 141.
- 50 India's former ambassador to the UN and PM Singh's longtime special envoy for West Asia calls for a "new form of non-alignment" in the Middle East. Chinmaya R. Gharekan, "New Game on West Asian Chessboard," *Hindu*, February 28, 2012. In an international seminar at the Jamia Millia University, New Delhi, on February 15, 2012, he argued that the Arab Spring was largely caused by western interference.
- 51 Prem Shankar Jha, "When Insanity Rules the World," *Hindu*, March 1, 2012. His article further maintains that the U.S. and the EU "have twisted the U.N. into an unrecognizable parody of itself."
- 52 Cf. Dhruva Jaishankar, "Rocky Road to Damascus," *Indian Express*, November 16, 2011; Arun Mohar Sukumar, "A Test for India's Big Power Aspirations," *Hindu*, February 24, 2012; Rajeswari Pillai Rajagopalan, "India's Libya Stance Will Haunt It," *Diplomat*, April 6, 2012.
- 53 Charles Grant, "Four Pillars for an EU-India Partnership," *Centre for European Reform Bulletin*, June 2, 2008, <http://www.cer.org.uk/publications/archive/bulletin-article/2008/four-pillars-eu-india-partnership>.
- 54 Cf. Karine Lisbonne-de Vergeron, *Chinese and Indian Views of Europe Since the Crisis: New Perspectives from the Emerging Asian Giants* (London/Paris: Konrad Adenauer Stiftung/Global Policy Institute, 2011). An earlier series of interviews by the same author suggests that these negative perceptions predate the debt crisis. See de Lisbonne-de Vergeron, *Contemporary Indian Views of Europe*. New public opinion studies by the Jean Monnet Chair at the Jawaharlal Nehru University, New Delhi, are due for publication in 2012.
- 55 Shashi Tharoor, "New India, Old Europe," *Project Syndicate*, November 15, 2011.
- 56 Cf. the vivid and highly entertaining account of Paul Blustein, *Misadventures of the Most Favored Nations: Clashing Egos, Inflated Ambitions and the Great Shambles of the World Trade System* (New York: Public Affairs, 2009).
- 57 *The United States and India: A Shared Strategic Future*, Joint Study Group Report by the Council on Foreign Relations and the Aspen Institute India, September 2011, 39.

- 58 Cf. BBC World Service Polls 2010 and 2011, www.globescan.com/news_archives/bbc2011_countries.
- 59 For a comparative analysis of European and Indian press coverage of the 2004 and 2005 summits see Shazia Aziz Wuelbers, *The Paradox of EU-India Relations* (Lanham/Plymouth: Lexington Books, 2010), 131–37.
- 60 The Country Strategy Paper 2007–2013 earmarks three quarters of the funds available for education and health and one quarter for support of the Joint Action Plan. The 2010 Mid-Term Review upholds these priorities in general, but rather candidly admits that “perhaps too much emphasis has been put on support for the Joint Action Plan, for which there seems to be limited interest and ownership by the Government of India.”
- 61 This is the stated objective of a recently published document co-authored by some of India’s most recognized foreign policy experts with inputs from senior government officials. Sunil Khilnani et al., *Nonalignment 2.0. A Foreign and Strategic Policy for India in the Twenty First Century* (New Delhi: National Defence College/Center for Policy Research, 2012), 8.
- 62 Ibid., 7, 69.

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