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## **Evolution of the EU-India Relations at the Beginning of 21<sup>st</sup> Century. The Polish Perspective**

**Abstract:** *The end of the Cold War and globalisation, internal and external factors have determined Poland's, India's and EU's international strategies and their position in international relations. The principal aim of the article is to analyse the relations between European Union and India. The author presents cultural, political and international circumstances and background of developing of these relations. Moreover, the author analyses the essence and main features of the contemporary EU-India relations, their potentials and constraints. Finally, he presents the impact of EU-India relations on Poland's Foreign Policy. In this context, the article tries to assess the evolution of Poland's Foreign Policy towards India in view of the Polish accession to European Union.*

Following the end of the Cold War India, eager to achieve the principal objective of its foreign policy *i.e.* to be regarded by other countries as regional – and, in the future, global – power, became an active participant of international relations, both in political and economic terms. Despite many deficiencies (mainly internal, such as a high level of poverty and illiteracy) the policy of New Delhi assumed global scope. Manifestations of India's international activity included approaching the European Union and attempts to redefine its relations therewith. This, in turn, influenced relations between Poland and India. After the accession of Poland to the EU – which enabled Warsaw to achieve the last strategic goal of its foreign policy – Poland could at last focus upon deepening its relations with other regions of the world. At the same time, its membership in the European Union gives it more and better instruments for the achievement of objectives of its foreign policy in the region of Asia and Pacific.

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## 1. Historical and cultural background of relations between India and Europe

Relations between India and the European Union should be perceived not only in the context of economic and political factors, but more general cultural civilisation and historical factors have to be taken into account, too.<sup>1</sup> As Indian expert and politician J.N.Dixit points out, mutual penetration of cultures and of European and Hindu civilisation began already in ancient time. Then, he emphasises importance of the period when Portuguese and French commercial colonies were established on the shores of Indian subcontinent since the end of 15<sup>th</sup> Century, as well as the heritage of British colonialism in India.<sup>2</sup>

It should be remembered, in this context, that European ideas (not only British, but also French or German) influenced the way concepts in Indian national liberation movement evolved in 19<sup>th</sup> Century. Some Indian philosophers and activists advocated searching of common points between European experiences and Indian tradition. New patterns were coined by a narrow circle of educated people who were regarded as middle class. Ram Mohan Roy, a precursor of reformist tendencies that evolved in syncretistic mould, underlined the necessity of reforming Hinduism according to rational European Union tradition, also declaring himself against caste system and wishing for the society to be transformed. Supporters of that current grouped around the organisation called *Brahmo Samaj*.<sup>3</sup>

At the same time, the British rule shaped political culture in India. It is pointed out that India modelled many institutions of internal political life after British solutions, including patterns of parliamentary system, democracy, jurisdiction or army, as well as tradition concerning bureaucracy and civil service.<sup>4</sup> In external relations India was influenced by British assumptions regarding the need to base their State borders, as far as possible, upon natural borders of the subcontinent (the Curzon's concept). In the opinion of C.H.Heimsath: "*the influence of British heritage was never as strong on any area of social or political life as it was upon India's foreign policy*".<sup>5</sup> British ideas and concepts in that area, adapted by the leaders of Indian National

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<sup>1</sup> J.N.Dixit, *Cooperation with Europe: Market and More*, "Indian Express", 10.07.2000.

<sup>2</sup> Ibidem.

<sup>3</sup> K.W.Jones, *Socio-Religious Reform Movements in British India*, Cambridge 1989, p.34-36.

<sup>4</sup> A.M.Wainwright, *The Inheritance of Empire: Britain, India, and the Balance of Power in Asia*, 1938-55, Westport 1994, p.99.

<sup>5</sup> N.Jayapalan, *Foreign Policy of India*, New Delhi 2001, p.25; See: C.H.Heimsath, *Indian Nationalism and Hindu Social Reform*, Princeton 1964, p.129.

Congress to local conditions, largely influenced Indian way of perceiving international reality.

On the other hand, Indian culture and civilisation influenced European culture. From that point of view, the image of Indian culture as extremely tolerant and open to impulses from the outside, shaped long time ago, certainly favoured consolidation of that country's position. J.W.Goethe was very fond of Kalidasa's ancient drama *Shakuntala*, G.W.F.Hegel and A.Schopenhauer revealed much admiration for Indian philosophy. Great fascination with Indian subcontinent is also obvious in literature, to quote R.Kipling, P.Scott or O.Paz as examples.<sup>6</sup>

Nevertheless, until India gained independence in 1947, relations between Europe and that country were mainly shaped by paternalism and colonialism and were far from bilaterally equivalent. At the same time, neither international distribution of labour shaped at that time nor economic conditions were favourable to India. According to Arun Kumar: "*India has undergone globalisation for over 250 years already. Both in the past and at present the real problem is not about globalisation as such, but instead in only one pattern of globalisation being propagated and implemented according to Western expectations and scenarios prepared in the West*".<sup>7</sup>

Yet, gaining of independence by India meant no real turning point in that country's relations with Europe. After the establishment of the European Communities (EC) in 1950s Western Europe paid little attention to issues concerning India or Southern Asia sub-region in general. It had not changed after establishment official relations between India and the EC in 1962. Relations mainly concerned economic issues and were based upon two documents: the Commercial Cooperation Agreement (CCA) from 1973 and then the Commercial and Economic Cooperation Agreement (CECA) from 1980. The idea behind the agreements was to stimulate trade between the EC and India. The EC remained India's principal trade partner, the trade exchange with them accounting, in 1990, for 28% and 29% of India's export and import, respectively.

However, trade relations between India and the Communities always featured a high deficit on the part of New Delhi, mainly resulting from protectionist policy of the Communities that put barriers to the access of Indian textiles and other products to European markets. Other differences became evident on the forum of GATT. India perceived international trade

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<sup>6</sup> M.D.Nalapat, *Culture on Diplomacy: India Inc. Needs US-Style Chutzpah*, "Times of India", 19.03.2001.

<sup>7</sup> A.Kumar, *India, Liberalization and Globalization in: Globalization and South Asia*, ed. A.Vanaik, New Delhi 2004, p.125.

system as unfair and favoured, together with other countries of the South, establishment of New International Economic Order.<sup>8</sup>

During the Cold War period relations between India and the EC mainly focused upon economic affairs, political issues playing minor role. The EC expressed its opinions about Kashmir and nuclear weapon, underlining the need to solve the conflict peacefully, however without ever openly declaring themselves in favour of India. In general, Western Europe tended to perceive the sub-region of Southern Asia through the lens of the Cold War, this being one of reasons for no real political dialogue between both parties developing in that period.

Moreover, India's and European Communities' perception of each other was still full of misunderstandings.<sup>9</sup> The idea of non-involvement and the alliance with the USSR (officially concluded in 1971) prompted the EC to regard India as a country in fact belonging to the Eastern block. At the same time, until 1970s the EC treated India as an area of influence of the United Kingdom.

On the other hand, India also attached little importance to its relations with the European Communities as such, not perceiving them as one strong political entity or an important actor in international economic or political structures. The United Kingdom remained India's principal economic partner in EC. Apart from that, New Delhi entered into closer relations with West Germany, France and Italy.

At the same time, during the Cold War relations between India and Poland were developing, although one has to add, in this context, that their beginnings were rooted as long ago as in the 19<sup>th</sup> Century. It was at that time that over a dozen publications in Sanskrit were translated into Polish and a history of ancient India was published.

The official diplomatic relations between the two states were established in 1954. Relations between Poland and India relied principally upon economic and cultural co-operation. In 1959 an agreement concerning trade and methods of payment was signed, to be extended later on to subsequent periods until 1990. Political relations in those years gave evidence of good mutual understanding, too. This was manifested by a number of top level visits: Poland was visited by Indian Presidents V.V.Giri (1970) and Zail Singh

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<sup>8</sup> The concept of the New International Economic Order focused on facilitating access of products from developing countries to the markets of developed countries, a significant increase in financial aid and favorable regulations in contacts with developed countries. This concept was created by developing countries in the 1970s. B.Vivekanandan, *India and Europe in the 1990s* in: *Indian Foreign Policy in the 1990s*, ed. K.R.Pillali, New Delhi 1997, p.61-70.

<sup>9</sup> J.N.Dixit, *India and Europe: Perceptions and Misperceptions* in: *India and the European Union in the New Millennium*, ed. R.K.Jain, New Delhi 2000, p.43.

(1986) and by Prime Ministers Jawaharlal Nehru (1955), Indira Gandhi (1967) and Morarji Desai (1979). On the the hand, Polish Prime Ministers and Heads of State who visited India were, among others, J.Cyrankiewicz (1957), P.Jaroszewicz (1973) E.Gierek (1977) and W.Jaruzelski (1985). Moreover, for over 20 years representatives of Poland and India jointly observed the implementation of agreements reached in Indochina, under the International Commission of Control and Supervision.<sup>10</sup> In early 1990s observers from Poland and India took part in a process of holding elections in Cambodia that was organised in co-operation with the United Nations.

Still, it should be explained that in the period 1954-1989 relations between Poland and India have to be considered in the context of Indian-Soviet relations and conditions of the Cold War era. Poland, although it developed political and cultural relations with India, supported that country in the forum of international organisations and declared itself on the side of New Delhi in India's conflict with Pakistan, was not India's principal economic partner.<sup>11</sup>

Finally, the end of the Cold War, changes in Central Europe, systemic transformation in Poland and changes occurring in India presented new challenge for bilateral relations between both countries. At the same time, after 1989 and in particular since 2004 such relations have to be considered in the context of India's relations with the European Union.

## **2. Premises of co-operation between India and the European Union after the end of the Cold War from the Polish perspective**

The shape and nature of relations between India and the EU at the turn of 20<sup>th</sup> and 21<sup>st</sup> Centuries were influenced by processes and transformations taking place on either side. The decline of the Eastern block, the intensifying processes of European integration, the establishment of the European Union, development of close political co-operation within the EU, the process of the EU enlargement by adoption of Central European countries – all that meant new challenges for India to take. On the other hand, the start of economic reforms in India in 1991, opening of the country to foreign investments, liberalisation of trade, economisation of India's foreign policy, renouncement of moralising in India's international strategy to the benefit of pragmatism,

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<sup>10</sup> The ICCS was established by the Paris Peace Accords which were signed in 1973 by the governments of North Vietnam, South Vietnam, and the United States with the intent to establish peace in Vietnam.

<sup>11</sup> T.Paździora, *Współpraca polityczno-gospodarcza pomiędzy Polską a Republiką Indii (Political and Economic Co-operation between Poland and Republic of India)*, Warszawa 1975; J.Zającz, R.Zięba, *Polska w stosunkach międzynarodowych 1945-1989 (Poland in International Relations, 1945-1989)*, Warszawa 2005.

and emphasising by New Delhi of the importance of co-operation between countries of the North with those of the South, deeply influenced relations of New Delhi with the European Union. In fact, new quality of international environment changed the fundamentals upon which Indian-European relations relied throughout the previous period of the Cold War.<sup>12</sup>

After 1989 India started with much determination to redefine its interests and to search for adequate strategies and means of their implementation. However New Delhi was short of total comprehensive policy or, strategy towards the EC and later European Union. India in its foreign policy involved principally in the region of South-Eastern Asia (the so-called "Look East Policy"),<sup>13</sup> Central Asia and in the region of Persian Gulf, regarding those regions as part of its so-called "extended neighbourhood".<sup>14</sup> In parallel, India also focused upon improvement and development of its relations in both political and economic terms with global powers, including, in particular, the USA.

In fact, India was also lacking a clear strategy with respect to Central European countries, Poland being a good example of the problem.<sup>15</sup> Political and economic relations came to a deadlock and there were no political meetings on the high level. On the other hand, Poland revealed no determination in tightening relations with New Delhi, too. And the principal problem in relations with countries of Asia and Pacific region, including India, was economic co-operation.

In 1990s geographic directions of Poland's trade exchange with other countries were totally reoriented, relations between Poland and most Asian countries being clearly reduced to secondary importance, at least as regarded economic matters. However, there were several different conditions and premises contributing to that change, including the lack of consistent concept concerning the State policy towards Asian countries as well problems and difficulties related with Poland's re-entry onto Asian markets. Polish export to countries of that region decreased seriously in the 1990s, which was accompanied by a growth of import therefrom. This resulted in Poland's negative trade balance in economic dealings with countries of Asia and Pacific – a general trend which was also evident in economic relations between Poland and India.

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<sup>12</sup> S.Baroowa, *The Emerging Strategic Partnership between India and the EU: A Critical Appraisal*, "European Law Journal" no. 6/2007, p.733.

<sup>13</sup> H.-G.Wieck, *India's Policy of Good Neighbourly Relations*, "Aussenpolitik" (English Edition) 1997, p.292.

<sup>14</sup> *Ibidem*.

<sup>15</sup> N.Joshi, *India and Central and Eastern Europe in: Indian Foreign Policy. Agenda for the 21<sup>st</sup> Century*, eds. L.Mansingh, M.Venkatraman, New Delhi 1998, p.36-44.

Polish activity in the region of Asia and Pacific, both in economic and in political sphere, was limited as the priorities of Polish foreign policy in the last decade of the past Century were the accession to NATO and the European Union as well as the creation of solid fundamentals for co-operation – bilateral, regional and international – with principal partners of Warsaw in Europe and North America. Moreover, in the 1990s there was no consistent and comprehensive concept or strategy of achieving the objectives of Polish foreign policy towards Asia-Pacific region. Means and methods were no longer relevant to new challenges and proved inadequate to the new situation.

However, in the late 1990s and in the beginning of the present Century, some first premises appeared that had an important influence upon relations between India and the European Union and, in consequence, also with Poland. Those were both political and economic premises, among which new attitude on the part of India to regionalism and globalism, economic reforms in India, the Chinese factor and deepening of integration processes in Europe should be mentioned above all. India realised that economic factor would become more and more important as a factor determining a country's position in international relations. Thus, economic reforms and liberalisation of trade were meant as measures to overcome economic and social limitation in India.<sup>16</sup> New Delhi became interested in a growth of value of direct foreign investments in India and the EU was perceived as significant foreign investor. At the same time, however, India was afraid that the process of the EU enlargement by the adoption of Central and Eastern European countries would result in a decrease of value of trade between India and the EU.

However, there was another, even more important threat to India in the form of obvious tightening of relations between the EU and China,<sup>17</sup> as since 1994 the EU has intensively developed political dialogue with that country. The first EU-China summit was held in April 1998 in London. During the sixth summit, in late October 2003 in Beijing the importance of Chinese-EU political dialogue was further emphasised. In about the same time the European Commission adopted a document entitled *Maturing partnership: shared interests and challenges in relations EU-China*, in which the need to deepen mutual relations between Brussels and Beijing was underlined.<sup>18</sup>

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<sup>16</sup> A.Narlikar, *All That Glitters is not Gold: India's Rise to Power*, "Third World Quarterly" no. 5/2007, p.234.

<sup>17</sup> R.Budania, *The Emerging International System: Threats, Challenges and Opportunities for India*, "Strategic Analysis" no. 1/2004, p.56-57.

<sup>18</sup> Commission Policy Paper for Transmission to the Council and The European Parliament, *Maturing partnership: shared interests and challenges in relations EU-China*, COM(2003) 533 final, [http://europa.eu.int/comm/external\\_relations/china/com\\_03\\_533/com\\_533\\_en.pdf](http://europa.eu.int/comm/external_relations/china/com_03_533/com_533_en.pdf)

Therefore, Indian politicians, researchers expressed its fears that China would become the European Union's principal partner in Asia.<sup>19</sup>

It has to be observed, however, that the strategy towards China was related with the European Union's new policy with respect to Asian continent as a whole. In the 1990s the EU manifested an increasing interest in further development of its contacts with countries in the region of Asia and Pacific. Motives that prompted it were as follows: firstly, economic dynamism of Asian economies provided a natural encouragement for intensifying economic contacts; secondly, maintenance of political dialogue with countries of Asia, and especially Eastern Asia, was crucial due to the significance of geopolitical and geoeconomic positions of those countries; thirdly, in consequence of emergence of three centres of influence in global economy – namely, the EU, Japan and the USA – it was essential to develop forms and procedures of co-operation, which was additionally forced by globalisation of economic processes and liberalisation of trade; fourthly, the EU tended to exert influence upon Asian countries in order to strengthen international stability and security.<sup>20</sup>

Tasks and objectives of the European Union towards Asia were consistent with the strategy defined by the European Commission and approved by the European Council during its meeting in Essen in December 1994, when a new document was adopted, entitled *Towards a New Strategy for Asia*.<sup>21</sup> The EU's foreign policy towards that continent gravitated to promotion of democracy, human rights, finding solutions to regional conflicts and reinforcing security in the region of Asia and Pacific. Other important objectives included: enhancing development of trade and European investments in Asia; support for democratic and market reforms in transforming countries (China, Vietnam); and provision of development aid to the poorest countries or those under reconstruction after finished military conflicts (e.g. Afghanistan).<sup>22</sup>

Other factors influencing the evolution of the EU's relations with India at that time included: integration of Eastern Asia, evolution of Indian strategic thought, more assertive attitude of India in international relations, an increase

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<sup>19</sup> C. Raja Mohan, *India, Europe and the United States*, in: *India and the European Union in the 21<sup>st</sup> Century*, ed. R.K. Jain, New Delhi 2002, p. 60-61.

<sup>20</sup> E.Haliżak, *Unia Europejska a państwa Azji Wschodniej (The European Union and Eastern Asian countries)* in: *Unia Europejska. Nowy typ wspólnoty międzynarodowej (European Union. A New Type of International Community)*, eds. E.Haliżak, S.Parzymies, Warszawa 2002, p.208.

<sup>21</sup> Communication from the Commission to the Council, *Towards a New Strategy for Asia*, (COM) 94, 314 final, Brussels, 13.07.1994.

<sup>22</sup> J.Zajączkowski, *Unia Europejska w stosunkach międzynarodowych (European Union in International Relations)*, Warszawa 2006, p.245-255.

of that country's attributes of power (higher expenditure on army, modernisation thereof, economic growth), and finally, coming to rule of the Indian Popular Party (Bharatiya Janata Party, BJP) in 1998, which declared gaining by India of the status of global power as one of its objectives.

More active policy of India towards the European Union was dictated by that country's aspirations to play the role of full-dimensional, significant actor of international relations at the outset of 21<sup>st</sup> Century. Indian politicians (starting with the Prime Minister Atal Bihari Vajpayee) realised that if they wanted to play a bigger role in international organisations, they had to gain support not only of such powers as the USA or China, but also that of the European Union Member States. This was manifested very clearly by a voting in 1996 on Japan and India as candidates for a non-permanent member of the United Nations Security Council, when Japan got over three times more votes than India. New Delhi, drawing conclusions from the lesson of that defeat, revised its policy towards the European Union.

Opportunities to stimulate mutual relations arose, for example, in the form of the UN Millennium Summit or during the summit to celebrate 60<sup>th</sup> anniversary of the United Nations held in September 2005. Another example was a debate, prior to that meeting, regarding the reform of that organisation and, in particular, of the Security Council (India cooperated with Germany, along with Brazil and Japan, in the so-called G-4 group which intended to enlarge the composition of the SC by the adoption of themselves and two African countries thereto).<sup>23</sup>

Poland was among countries that supported India's endeavours to become a member of the United Nations Security Council. Admittedly, this was an evidence of intensification of relations between Warsaw and New Delhi which entered a new stage after a period of deadlock (*e.g.* visits of Presidents L. Wałęsa in 1994 and A.Kwaśniewski in 1998 in India; a visit of President S.D. Sharma of India in Poland in 1996). Both parties were determined by economic factors to enliven mutual relations. India, in proportion to its economic development and increasing economic position became more and more interested in including renewal of economic relations with Poland into its international strategy.

This way, whilst in early 1990s India tended to perceive Poland as a rival competing for the EU funds, fearing that more foreign investments might go to Poland instead of India, at the end of the same decade and in the beginning of the present Century it began to treat Poland as a country which was its

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<sup>23</sup> A.Nafey, *Permanent Membership in the UN Security Council: India's Diplomatic Initiatives and Strategies*, "India Quarterly" no. 4/2005, p.47-48.

valuable economic partner in this part of Europe and might become an important ally in the European Union.

The above mentioned conditions, together with the awareness that Polish foreign policy would gain new possibilities and would confront new challenges in terms of a policy towards Asia after the accession to the EU, gave an impulse for more active efforts of the Polish diplomacy in that region. A herald that such a change in the attitude was forthcoming was given in an address of Polish Minister of Foreign Affairs W.Cimoszewicz on 22 January 2003. Namely, Cimoszewicz emphasised that Poland would intensify its economic, political and cultural activities in extra-European territories and would mark its presence worldwide in a more consistent way. According to him, it was our country's intent to contribute more significantly to shaping and implementing the EU policy towards other parts of the world.<sup>24</sup> Moreover, during his visits in Malaysia, Singapore and Brunei he declared that after Poland's accession to the European Union Warsaw wanted to actively take joint responsibility for formulating the EU's policy towards Asia. At the same time, representatives of countries of that region, such as India, expressed their hopes that Poland would positively influence the EU's strategy regarding them.

It should also be observed in that context that early signs of change in the way Poland perceived the region of Asia and Pacific were given already at the very beginning of the 21<sup>st</sup> Century. Quite importantly in that context, the events of 11 September 2001 manifested direct relations existing between the situation in Euroatlantic area – where Poland belongs – with situation outside Europe. Terrorism, security in Central Asia became one of the main topic during discussion with asian partners. As examples, we may quote a visit of Polish President A.Kwaśniewski in Afghanistan in October 2002 when Poland became involved in actions of international coalition for economic and political reconstruction of that country. The value of Polish humanitarian aid to Afghanistan – in the form of actions carried out by both governmental agencies and NGOs – amounted to USD 1.6 million.

### **3. India and the European Union – the essence and nature of co-operation. Implications for Poland**

At the outset of the 21<sup>st</sup> Century India's relations with the European Union and Poland feature new phase of developing. EU and India has developed not only economic relations, but also political dimensions. Common values,

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<sup>24</sup> Source: Polish Foreign Ministry, <http://www.ms.gov.pl>

terrorism, vision of international relations and economic factor have impact on relations between EU and India.

### **3.1. India and European Union – political and economic dimension**

Most politicians, in India and Europe alike, agreed that the world would gravitate from unipolar to polycentric system. Regional powers and other countries were expected to enter into alliances in order to counterbalance any potential hegemony of the single superpower, *i.e.* the USA. However, India rejects a possibility of emergence of bipolar system. Thus, it seems most likely that hexagonal system will evolve, basing upon six powers: USA, Russia, EU, China, Japan and India.<sup>25</sup> Of course, political, economic and military power of these countries will be different. The importance of Asia in international relations is going to increase, the continent becoming in the 21<sup>st</sup> Century the world's political and economic centre.<sup>26</sup>

Effective protection against anarchy is to be ensured by international order based on six powers. However, the role India, EU, USA, China, Japan and Russia are expected to play within a world based upon hierarchy would be that of “global policemen” rather than of hegemonies. Other countries will enjoy rather significant autonomy in international relations. Such an international order will rely on balance of strength among six powers. This, however, will not mean coming back to traditional system of balance of power. Thanks to increased interdependencies and globalisation<sup>27</sup> of economic processes, co-operation among leading countries of the world and its influence upon international reality will be as important as that of rivalry (including in the form of international organisations). According to C.Uday Bhaskar, relations between the leaders will be defined by a so-called Time-Space-Issue Index.<sup>28</sup> It means that depending on a given situation or problem individual powers will conclude, quit or change alliances and arrangements among themselves.

The concept of multi-polar world presented by Indian scholarship was in line with European vision of international order. At the same time, in consequence of the increasing power of China and of economic situation in the 1990s and at the very beginning of the 21<sup>st</sup> Century we faced an important

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<sup>25</sup> D.Mistry, *A Theoretical and Empirical Assessment of India as an Emerging World Power*, “India Review” no. 1/2004, p.89-91.

<sup>26</sup> About political and intellectual elites towards new world order in India see: S.Dutta, *In Search of New Security Concepts*, “Strategic Analysis” April 1997, p.15.

<sup>27</sup> C.Uday Bhaskar, *Post-Cold War Security*, “Strategic Analysis” November 1997, p.1138.

<sup>28</sup> *Ibidem*.

deepening of co-operation between the EU and India.<sup>29</sup> After signing of the Cooperation Agreement on 20 December 1993 India developed not only economic co-operation with the European Union, but political dialogue as well. The first meeting of the EU-India summit took place in Lisbon on 28 June 2000. During consecutive summits (on 23 November 2001 in New Delhi, 10 October 2002 in Copenhagen and 29 November 2003 in New Delhi) such issues as security in the region of Southern and South-Eastern Asia, fight against terrorism and tightening of economic and cultural co-operation were addressed.<sup>30</sup> In 2004, during the summit in Hague, it was decided to establish Strategic Partnership between India and the EU. During the sixth summit in 2005 in New Delhi the so-called Action Plan was signed, defining a plan and areas of co-operation for strategic partnership.<sup>31</sup> Subsequent summits (the seventh in October 2006 and the eighth, held on 30 November 2007, confirmed that the EU and India intended to intensify their co-operation in strategic terms, too. It was underlined that political relations should go in parallel with economic, which by that time became quite developed (since 1980 the value of trade between India and the Communities increased by over EUR 40 thousand million and in 2006 amounted to *circa* USD 46 thousand million; and trade with the EU accounts for over 20% of India's export and import<sup>32</sup>).

It should be observed that Poland advocated these initiatives and actively supported development of closer India-EU relations. In doing that, Poland also reached beyond purely economic issues of intensifying commercial dealings and emphasised importance of taking proper care for such values as democracy and freedom. It was underlined for example in *The Republic of Poland's Strategy concerning non-European developing countries*.<sup>33</sup>

Position assumed by Poland over that matter was similar to the general EU strategy. Entering in deeper mutual political relations, India and the European Union highlighted shared values, as reflected in the Lisbon Declaration, adopted during of the EU-India summit in Lisbon in 2000.<sup>34</sup>

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<sup>29</sup> R.M.Hathaway, *India Transformed: Parsing India's "New" Foreign Policy*, "India Review" no. 4/2003, p.76.

<sup>30</sup> Source: [http://europa.eu.int/comm/external\\_relations/india/intro/summ\\_index.htm](http://europa.eu.int/comm/external_relations/india/intro/summ_index.htm)

<sup>31</sup> Political Declaration on the India-EU Strategic Partnership, 7.09.2005, <http://commerce.nic.in/India-EU-jap.pdf>; The India-EU Strategic Partnership. Joint Plan, 8.09.2005, <http://meaindia.nic.in>

<sup>32</sup> *Trade Statistics*, Ministry of Commerce and Industry, Government of India, New Delhi 2007.

<sup>33</sup> *Strategia RP w odniesieniu do pozaeuropejskich krajów rozwijających się (The Strategy of the Republic of Poland Towards Non-European Developing Countries)*, Warszawa 2005.

<sup>34</sup> *EU-India Joint Declaration*, 28.06.2000, source: [http://ec.europa.eu/external\\_relations/india/intro/political\\_dial.htm#1a](http://ec.europa.eu/external_relations/india/intro/political_dial.htm#1a)

Moreover, the need was underlined to face new challenges and threats, such as terrorism. Another manifestation of the importance the EU attached to India can be found in the first-ever Strategy of Security, adopted by the EU on 12 December 2003. It stated explicitly that “*EU should develop strategic partnership with India*”.<sup>35</sup> In the Commission’s communication issued in June 2004, entitled *EU-India Strategic Partnership* it was declared that relations between EU and India, based upon shared values, should evolve along four different facets: (i) co-operation in international forums; (ii) prevention of conflicts, fight against terrorism, and counteracting spread of weapon of mass destruction (WMD); (iii) consolidation of economic ties through development of sectoral dialogue; and (iv) co-operation in development in cultural and intellectual areas.<sup>36</sup> In reply to that communication India – in a document that was, in turn, first-ever declaration of that country’s strategy regarding the EU – observed that “*strategic partnership should rely upon shared values and mutual benefits*”, and should reckon with situation in Southern Asia and Afghanistan. It was also underlined that terrorism and WMD are common threats to both the EU and India.<sup>37</sup>

In 2004, during the fifth EU-India summit the Prime Minister of India referred to both parties as “*each other’s natural partners*”<sup>38</sup> and one of British Members of Parliament added that: “*India and the EU are natural partners since they believe in and tend to building polycentric world*”.<sup>39</sup> Ch.Patten, the former EU Foreign Relations Commissioner, pointed out that common values were basis for India – EU relations at the turn of the 21<sup>st</sup> Century. In his opinion making decision on strategic partnership, rather than being consequence of closer economic and commercial co-operation, was “*reflection of common values both parties share*”. He also emphasised that “*India and the EU will significantly influence stability in the world acting as guarantors thereof*”.<sup>40</sup> Shyam Saran, the former Secretary of State in Indian Ministry of

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<sup>35</sup> *A Secure Europe in a Better World: The European Security Strategy*, Council of the European Union, 12.12.2003.

<sup>36</sup> Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee, “An EU-India Strategic Partnership”, 16.06.2004, European Commission, COM (2004) 430 final.

<sup>37</sup> Ministry of External Affairs, Government of India, “EC Communication titled <An EU-India Strategic Partnership> – India’s Response”, 27.08.2004, source: <http://www.meaindia.nic.in>

<sup>38</sup> *Statement by Manmohan Singh on the eve of his departure to the Hague for the 5<sup>th</sup> EU-India Summit*, 7.11.2004, source: <http://www.meaindia.nic.in>

<sup>39</sup> Quoted after: L.Foramonti, *Different Facets of a Strategic Partnership: How the EU is Viewed by Political and Business Elites, Civil Society and the Press in India*, “European Foreign Affairs Review” no. 4/2007, p.350-351.

<sup>40</sup> *Ibidem*.

Foreign Affairs, believed that “*India and the EU have been important poles in multipolar world*”.<sup>41</sup>

Particular agreement among political elites in India and the EU regarded the issue of common values and that of common threats (notably terrorism and WMD). This was manifested by opinions of Indian politicians and documents adopted by New Delhi governments – that made by BJP and that made by Indian National Congress (after 2004) alike. B.Mishra, national security advisor in 2000, observed that “*Indian vision of international order is not different from European one, since both are rooted in pluralism and co-operation*”.<sup>42</sup> Another decision consistent with the trend to build multipolar world and to achieve shared aspirations was that made during the Sixth ASEM (The Asia – Europe Meeting), a forum of political and inter-civilisation dialogue among the EU Member States and thirteen Asian countries, on inclusion of India to ASEM.

It should be noted in this context that both India and the EU support the process of integration in Eastern Asia. One should also emphasise that, according to findings of studies, business elites in India perceive their country as a model of integration and underline that thanks to instruments of economic integration the EU manages to overcome many important differences. Other aspects perceived in positive light include the EU legislation and structural funds.

Whilst political elites focus upon common values, organisations dealing with human rights, social organisations and academic teachers in India emphasise positive role of the EU in propagating the idea of human rights, social and development-related affairs. The EU is seen as an important actor in such areas as protection of environment and food security (India has been evaluated positively as opponent of genetically modified organisms - GMOs). According to S.Fioramonti, such matters as humanitarian activity of the European Union, its aid policy, support for democratic processes (*e.g.* in Nepal), application by the EU of diplomatic and commercial instruments instead of military ones in foreign policy, consolidated positive image of the EU in India.<sup>43</sup>

However, India has also entered into closer co-operation with the EU in other areas. In particular, the outset of the 21<sup>st</sup> Century witnessed an intense development of co-operation in the area of space exploration. In 2006 an agreement on participation of India in European programme Galileo was

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<sup>41</sup> Quoted after: M. Sondhi, *India and European Union: political partners?*, “The Times of India”, 5.07.2004.

<sup>42</sup> Quoted after: L.Foramonti, *op.cit.*, p.351.

<sup>43</sup> L.Foramonti, *op.cit.*, p.349-362.

concluded. India has also been involved in closer co-operation with the EU in scientific and technological field. Moreover, the EU supports that country's participation in an international project concerning a nuclear reactor (International Thermonuclear Experimental Reactor - ITER).<sup>44</sup>

Along with co-operation with the EU as the whole, India also took care for developing dialogue with individual Member States. Debate over strategic issues, increasing trade exchange, deepening of cultural relations, fight against terrorism and military co-operation were the instruments of tightening of relations with France and the United Kingdom (which has been India's largest European trade partner with over USD 5 thousand million per year); and, over the recent years (2004-2007), also with Germany. Among the EU Member States, France is India's main political partner. New Delhi perceived France as a country thank to which India can gain support of the rest of the European Union members for their ambitions of becoming global power. During his visit to New Delhi in February 2006 the President of France Jacques Chirac confirmed support of his country for India's power aspirations.<sup>45</sup> It should be added, in this context, that France, since the time it began its strategic dialogue with India in 1998, has advocated ambitions of that country to become one of the world's leading powers.<sup>46</sup>

Expressing support for the India's aspirations were in line with the assumptions of French visions of the global order. This country has explicitly been in favour of multipolar world in which India would play the role "*of one such pillar and that of international order stabilising factor*".<sup>47</sup> India has also been perceived as a potential ally in counterbalancing US power of influence. Moreover, France has traditionally attributed particular role to the United Nations that "*it still regards as keystone of the whole international system and a forum of debate on crucial international problems for which no real alternative exists*".<sup>48</sup> Accordingly, since the 1990s France has advocated renewal of that organisation, among other things by extending the composition of the Security Council by inclusion of new States, including India. According to J.-L.Racine, "*Indian vision of international reality, quite close to that of de*

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<sup>44</sup> R.K.Jain, *India and the European Union – Building a Strategic Partnership* in: *India's New Dynamics in Foreign Policy*, eds. S.K.Mitra, B.Hill, Munich 2006, p.83-93.

<sup>45</sup> Joint Statement issued on the occasion of the visit of President Jacques Chirac to India, 20.02.2006, source: <http://meaindia.nic.in>

<sup>46</sup> Quoted after: J.-L.Racine, *The Indo-French Strategic Dialogue: Bilateralism and World Politics* in: *India as Emerging Power*, ed. S.Ganguly, London and Portland 2003, p.181.

<sup>47</sup> *Backs India's Claim for UN Council Seat*, "Times of India", 16.04.2000.

<sup>48</sup> S.Parzymies, *Procesy adaptacji mocarstwowej roli Francji* in: *Nowe role mocarstw (New Roles of Major-Power)*, eds. B.Mrozek, S.Bieleń, Warszawa 1996, p.78.

*Gaule, was a factor that encouraged Paris to give such a firm support to India”.*<sup>49</sup>

In spite of dynamic development of political element in relations between New Delhi and Brussels, at the beginning of the 21<sup>st</sup> Century economic aspects remained dominant. Although the Cold War came to an end, trade relations were still the principal facet of mutual relations between both parties. The European Union has been India's largest trade partner and India has ranked the ninth among the EU's trade partners (up from the seventeenth place back in 2000). Between 2000 and 2006 trade between the EU and India increased by 80%. Therefore, economic dimension remains the main element and catalysing factor of mutual relations.<sup>50</sup>

Also, the role of Indian Diaspora plays more and more significant role in recent years, at least in such countries as the United Kingdom, France or Netherlands. Since the beginning of the 21<sup>st</sup> Century the government in Delhi attempts to use this factor more than ever before to promote India economically and culturally abroad. Thanks to improvement of its economic condition India has also been more active over recent couple of years in the area of direct foreign investments.<sup>51</sup> In 2006 New Delhi became the third largest foreign investor in the United Kingdom.

### **3.2. Evolution of India-Poland relations at the turn of 21<sup>st</sup> Century**

In Central Europe, instead, it is Poland that turns out the main partner of India. As Kamal Nath, India's Minister of Trade and Economy put it during his visit in Warsaw, in May 2006, Poland has been seen in his country as “a gate to the European Union”, a link joining Asia with Western Europe.<sup>52</sup>

However, the dynamism in relations between Poland and India should be analysed in a broader context. Poland's membership in the European Union created new conditions and premises for increased political and economic activity in Asia. Thanks to mechanisms of Common Foreign and Security Policy, Common Trade Policy (for example joint actions, political and economic dialogue, to take part in EU-India summits) and other EU's policies Poland had real opportunities to become involved in the whole EU policy towards Asia and Pacific region. At the same time, Polish diplomacy was well

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<sup>49</sup> J.-L.Racine, op.cit., p.182-183.

<sup>50</sup> Cf. *Statistics*, Ministry of Commerce and Industry, Government of India, New Delhi 2007.

<sup>51</sup> D.K.Giri, *Indians in Europe in: Contemporary Europe and South Asia*, eds. B.Vivekanandan, D.K.Giri, *Contemporary Europe and South Asia*, New Delhi 2001, p.179-191

<sup>52</sup> “The Hindu”, 14.05.2006.

aware that the country's involvement in this area was important for consolidation of its position both in Asia and in the European Union.

Among transformations accompanying the process of Poland's integration with the EU there were changes concerning institutional and legal framework of mutual relations, economic in particular, with Asian countries. Such changes were mainly a consequence of the fact that after the accession to the EU Poland had to accept certain obligations, resulting – among other things – from the Common Trade Policy. Since the European Union had exclusive competence to enter into agreements in this area, Poland gave notice to hundred ten bilateral agreements regulating economic and commercial co-operation with individual developing countries, including a number of Asian ones. Moreover, as regards political and commercial aspects, Poland will also participate actively in negotiation of new agreements that the EC and Member States intend to conclude with Asian partners, which opens new opportunities for Poland's relations with them.

It should be observed in this context that following the accession of Poland to the EU Polish diplomacy became more active with respect to regions beyond the Euro Atlantic zone, Asia emerging as the principal object of Polish involvement. In October 2004, during ASEM summit in Hanoi Poland became member of that organisation and the Prime Minister of Poland had debates with leaders of Asian countries regarding political and economic matters. Poland was especially interested in decreasing deficit in trade balance with countries of Asia, but also firmly declared itself in favour of accession of India – its principal political partner in Southern Asia – to ASEM.

Since 2004 export of Polish goods to Asian countries, including India, has been increasing – a fact that deserves pointing out. During first years in 21<sup>st</sup> Century trade volume between Poland and India increased by over 30 per cent, amounting in 2006 to USD 498.3 million.<sup>53</sup> Poland hopes for further intensification of commercial co-operation, in particular in such areas as energy industry, mining and food processing. On 10 January 2007 A.Szejnfeld, Secretary of State in the Ministry of Economy, went to visit India. From the point of view of market demand and Polish export potential, the best opportunities for more intense co-operation exist in the above-mentioned sectors of business as well as in military industry. During the period between 2005-2006 Polish export to India amounted to USD 89.0 million, consisting mostly in products of military industry USD and geophysical services, followed by machines and equipment (USD 32.0 million) and metallurgy products.<sup>54</sup>

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<sup>53</sup> The Ministry of Economy of the Republic of Poland, source: <http://www.mg.gov.pl>

<sup>54</sup> Ibidem.

Nevertheless, Poland still records serious trade deficit in commercial relations with India. In 2006 the value of Polish import amounted to USD 401.5 million. Main items in Polish import from India included: textile goods (USD 101.5 million), products of chemical industry (USD 34.6 million) and plastics (USD 18.7 million).<sup>55</sup>

At the beginning of the 21<sup>st</sup> Century, along with active foreign policy in the region of Asia and Pacific, Poland has also focused on more careful formulation of that policy, in order to manifest the importance it has attached to development of relations with developing countries. As an example, document adopted in November 2004 by Polish government, entitled *The Republic of Poland's Strategy concerning non-European developing countries*, may be quoted. It contained a comprehensive programme for stimulating co-operation with that group of countries. As regards Asian countries it was observed that dynamic increase of scale of European Union's economic co-operation and of political dialogue with them (*i.e.* countries including India, Japan and China) will help Poland to develop political and economic relations with those countries.<sup>56</sup> The above-mentioned document adopted by Polish government and actions undertaken over the recent years indicate that it is economic matters that take the centre stage, both for Poland and the EU as the whole, although development of political collaboration is taken care of as well.

#### **4. India and European Union: challenges and constraints**

At the turn 21<sup>st</sup> Century there is a process of deepening India-EU relations. However, some limitations concerning relations between India and the European Union are evident, both in political and economic terms. Firstly, despite declarations on strategic partnership, India do not treat the EU as its principal political partner. Documents in question are mostly declarative.<sup>57</sup> In fact, Indian experts and politicians admit that there are more things that divide India from the European Union than things they have in common. This regards, for example, methods of fighting terrorism, different way of perceiving international order, the issue of Kashmir or that of international nuclear regime.<sup>58</sup> Also different are the EU's and India's attitudes regarding social standards. Brussels exerts pressure upon India as regards signing by

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<sup>55</sup> Ibidem.

<sup>56</sup> *Strategia RP w odniesieniu do pozaeuropejskich krajów rozwijających się (The Strategy of the Republic of Poland Towards Non-European Developing Countries)*, Warszawa 2005.

<sup>57</sup> S.Baroowa, *op.cit.*, p.747.

<sup>58</sup> "The Hindu", 11.10.2002.

New Delhi of several documents, including a Convention on Protection of Rights of Children as adopted by the International Labour Organisation.<sup>59</sup> Significant divergences between Indian and European vision of international order were emphasised by the resident of the European Parliament J.Borrell in an article aptly entitled *Giving Substance to EU-India Relations*.<sup>60</sup>

Limitations in India-EU relations mainly stem from the fact that the European Union has not been perceived in India as an entity truly united and forming a whole. Perception of the EU by political and business elites is essentially resultant of the way its individual Member States are perceived, rather than the EU as a single political being. Moreover, the EU tends to be seen as “*an actor, a power which is short of measures and instruments to really play major role in global politics*”. Other shortcomings pointed out include the lack of really consistent foreign policy and the EU’s institutional problems. India has been sceptical as regards the EU’s potential in political area or in that of security. In addition, some Indian observers go as far as announce economic crisis the EU is allegedly about to experience. Substantial part of Indian society has been totally unaware of mechanisms according to which the EU operates or of its activity on the global scale. As R.K.Jain underlines, we have to deal with “*huge deficit of information about the EU in India*”.<sup>61</sup>

At the same time, these phenomena are accompanied by much larger interest, on the part of Indian media and political elites, in the strategy of the USA. Romano Prodi, the former President of the European Commission, one of many to have noticed that fact, commented the lack of interest in the European Union in India regretting that “*India and Indians still perceive the USA as much more important and significant partner in nearly all aspects of co-operation*”<sup>62</sup>. Prodi assessed that this negatively affects the way Indians see the European Union. In this context the American factor and strategic co-operation between the USA and India that becomes closer and closer largely shapes Indian perception of the EU. As pointed out by one of Indian experts, India – as underlined by Europeans, by the way – “*like the EU but love the USA, although with love that occurs quite hard*”.<sup>63</sup>

Indeed, at the turn of the 21<sup>st</sup> Century India cared about entering in closer political relations with the USA. New conditions and opportunities for development of American-Indian relations included coming of G.W.Bush to

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<sup>59</sup> R.K. Jain, *India and the European Union*, op.cit., p.85.

<sup>60</sup> J.Borrell, *Giving Substance to EU-India Relations*, “The EurAsia Bulletin”, September-October 2006.

<sup>61</sup> R.K.Jain, *India and the European Union*, op.cit., p.87.

<sup>62</sup> *India’s too US-centric: Prodi*, “The Economic Times”, 23 November 2001.

<sup>63</sup> *Ibidem*, p.88.

power, his attitude towards non-proliferation of administration (quite different from that of Bill Clinton) and, most of all, increasing importance attached to the sub-region of Southern Asia in US policy after the war against terrorism began. According to most Indian commentators, the most important, common issue became that of similar way of perceiving international order on the part of the USA under G.W.Bush and India led by nationalist BJP government. This was manifested, for example, by India's attitude towards the conflict in Iraq assumed in the years 2002-2003, obviously closer to American than to Western European position. Unilateralism, emphasis laid upon military force, the concept of preventive attack made Indian and American visions of international order "*seem more and more akin*".<sup>64</sup>

As pointed out by K.Sridharan, development of closer relations between the USA and India was also favoured by determination of A.B.Vajpayee's government to establish strategic partnership with Washington.<sup>65</sup> A couple of months following the nuclear tests A.B.Vajpayee stated that "*nothing was going to stop India and the USA from becoming each other's natural allies*".<sup>66</sup> The statement was welcome in America. R.Celeste, the U.S. ambassador in India commented that "*the government led by the BJP party defined its country's shared interests with the USA*" and believed that "*entering into closer relations, not only in economic, but also in strategic and political area, was in India's interest*".<sup>67</sup> C.Raja Mohan said that at the beginning of the 21<sup>st</sup> Century "*India formulated a new paradigm in its relations with the USA, as manifested by India's position assumed to the war in Iraq and to American programme National Missile Defence (NMD)*".<sup>68</sup> Summing up, India does not treat the EU as its principal political partner. That role is attributed to the United States.<sup>69</sup> This is manifested, among other things, by the agreement, signed in June 2005, on military co-operation; the programme entitled *Next Steps in the Strategic Partnership*, concerning four areas: civil nuclear and space technologies, trade in IT and defence co-operation, implemented since 2004; as well as the agreement between India and the USA of 2 March 2006 on civil aspects of co-operation in the field of nuclear energy.

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<sup>64</sup> C.Raja Mohan, *India and the U.S. - European Divide*, "The Hindu", 26.09.2002.

<sup>65</sup> K.Sridharan, *Explaining the Phenomenon of Change in Indian Foreign Policy Under the National Democratic Alliance Government*, "Contemporary South Asia" no. 1/2006, p.75-91.

<sup>66</sup> Quoted for: *ibidem*, p.79.

<sup>67</sup> Quoted for: C.Raja Mohan, *India and the U.S...*, *op.cit.*

<sup>68</sup> C.Raja Mohan, *Crossing the Rubicon. The Shaping of India's New Foreign Policy*, New Delhi 2006, p.34.

<sup>69</sup> *Idem*, *India, Europe and the United States in: India and the European Union in the 21<sup>st</sup> Century*, ed. R.K.Jain, New Delhi 2002, p.60-61.

Admittedly, most experts agree that relations between the two countries will become even closer. A.Gupta argues that both share “*interests that are complementary to one another*”, especially in the long run.<sup>70</sup> One of such interests is apprehension of growing power of China and that country’s increasing role in the region of Asia and Pacific. Both parties have attentively observed the process of modernisation of Chinese army that takes place since the late 1990s and have noticed a growth of expenses borne by China on arms. C.Rice emphasised that closer relations between the USA and Japan, South Korea and India were going to force China to play more conciliatory and positive role in the region of Asia.<sup>71</sup>

It should be added, in this context, that Europeans perceive India not as potential counterbalance to growing Chinese power. On the other hand, India believes that the EU, whilst officially attaching so much importance to values of democracy and human rights, in reality tightens its relations with China and treats Beijing more seriously than it does New Delhi. Indians observe that the strategy towards Asia adopted by the EU (in 1994 and in 2001) was focused upon building closer relations with China and regarded Beijing as the main power in Asia.

Another factor that influenced limitation of India-EU relations and bigger interest in the USA than in the EU in that country, was the way Indian strategic thought evolved.<sup>72</sup> One has to remember that Indian experts in the recent years (2003-2006) increasingly emphasise the importance of strength in international relations and consider the issue of preventive strike as one of instruments for achieving goals in foreign policy. In the dispute between Europe and the USA about methods to use to solve the Iraqi crisis in 2002 and 2003 they expressed their support for unilateral actions undertaken by Washington.<sup>73</sup>

India’s neo-realist attitude towards international relations made differences between that country and the EU grow even further, including as regards nuclear policy. Another example is the way threats to security are perceived. In terms of security, India has mostly paid attention to traditional problems, such as territorial integrity, separatist movements, and border protection. European Union, on the other hand, focuses more upon the so-called non-traditional threats, including immigration or organised crime. In broader

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<sup>70</sup> A.Gupta, *The U.S.-India Relationship: Strategic Partnership or Complementary Interests?*, February 2005, p.44-45, source: <http://www.carlisle.army.mil/sei>

<sup>71</sup> C.Rice, Remarks at Sophia University, Tokyo, 19.03.2005, source: <http://www.state.gov/secretary/rm/2005/43655.htm>

<sup>72</sup> R.U.Zaman, *Kautilya: The Indian Strategic Thinker and Indian Strategic Culture*, “Comparative Strategy” no. 3/2006, p.231-247.

<sup>73</sup> G.Kanwal, *Coercive Force and National Security in the Indian Context*, “India Quarterly” no. 1/2006, p.26; K.Sridharan, op.cit, p.87.

perspective it is observed that India has been more keen on the so-called hard power and the EU committed to soft power.

India and the EU also differed as regards the Pakistan issue, in particular, until 2001 the EU demanded from India peaceful settlement of dispute with that country and refused to see the problem in categories of fight against terrorism. However, also after 2001 the EU gave no explicit signs of support for India in its conflict with Pakistan.

Returning to the context of relations with the USA, it seems that whilst the American factor in fact presented some obstacle in relations between New Delhi and Brussels, in the case of those between Poland and India the American issue was rather a factor favouring alignment of visions proposed by both countries' governments. Both sides tended to appreciate the role of the USA in war against terrorism and the importance of its position in South-Western Asia.

Much more serious were differences occurring in Polish-Indian relations in the economic area because economic affairs indeed constituted the principal challenge for both parties. The problem is that despite an increase of trade exchange in the recent years, neither Poland is significant trade partner for India nor the other way round. This low profile of mutual relations is accompanied by a relatively little knowledge of Indian market on the part of Polish business environment. However, it is also influenced by the way India perceives the European Union in economic area. The EU has been criticised by India's authorities and business elite for the Common Agricultural Policy, for agricultural subsidies, for its trade policy, and for the lack of understanding of needs or interests of developing countries during negotiation on the WTO forum. It was also observed in discussions of trade relations between India and the EU that for the latter party China has been more important trade partner in Asia. As an evidence, in the years 2000-2006 the value of trade between the EU and China increased by 150% and that China has been the EU's second largest trade partner.<sup>74</sup>

## **5. India – European Union: bound towards partnership? Implications for Poland**

India and European Union has developed at the beginning of 21<sup>st</sup> Century not only economic, but also political co-operation. Common values, democracy, support the idea of multi-polar world are the common features of Indian and European vision of international relations.

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<sup>74</sup> N.Kurian, *India-EU Economic Relations: Problems and Prospects in: Contemporary Europe and South Asia*, op.cit., p.121-137.

However, India never treated its relations with the EU as a priority. While admitting having some important values in common with the EU, at the beginning of the 21<sup>st</sup> Century India did not really regard it as its strategic partner. It can be evidenced, among other things, by the fact that the Prime Minister of India did not mention the European Union among his country's strategic partners during the celebration of anniversary of gaining State independence (admittedly, this happened in 2005, just one year after the agreement on such strategic partnership had been concluded between the EU and India).<sup>75</sup>

In spite of such problems both parties carry on their economic and political co-operation, although with awareness that the above-discussed situation seriously challenges their bilateral relations and in practice call for their redefinition with a view to take both parties' political aspirations fully into account.<sup>76</sup> This awareness is visible, for example, in the recent European Commission's report entitled *The European Union and India: A Strategic Partnership for the 21st Century* (India and the EU have been described as "strategic partners in a global village").<sup>77</sup> The report, whilst underlining significant evolution in mutual relations between the parties after the end of the Cold War, nevertheless emphasised the need to stimulate them even further.

Such a new quality in relations EU-Asia (and, to be more specific – the EU-India) had some consequences for the Polish policy towards Asia and India. After this direction visibly lost its importance in the early 1990s, since about middle of that decade political elites in Poland have started to gradually albeit slowly appreciate that region. Further improvement in relations with Asia and Pacific countries took place in Poland at the outset of the present Century, mainly in the context of Poland's accession to the European Union.

Polish membership in the European Union, understood as a possibility to apply instruments of the EU foreign and trade policy, favoured intensification of bilateral relations between Poland and countries of Asia and Pacific region, including India. Poland's integration with the EU certainly became a factor that stimulated Polish activity in that region, as proven, for example, by

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<sup>75</sup> The Indian Prime Minister's 2005 Independence Day Address, source: <http://www.pmindia.nic.in/speeches.htm>

<sup>76</sup> More on the subject of India-EU relations - see: K.Lisbonne de Vergeron, *Contemporary Indian Views of the European Union*, London 2006; R.K.Jain, "India, the European Union and Asia Regionalism", Paper presented at the EUSA-AP Conference on Multilateralism and Regionalism in Europe and Asia-Pacific, Tokyo, 8-10.12.2005; R.K.Jain, *India and the European Union*, op.cit.

<sup>77</sup> *The European Union and India: A Strategic Partnership for the 21<sup>st</sup> Century*, European Commission, Brussels 2007.

frequent – compared to previous years – visits of Polish Prime Minister and Foreign Affairs Minister in Asian countries. Warsaw's trade exchange with those countries increased as well, and it was fostered by the perception of Poland as a country with which political and economic relations should be developed, on the part of Asian partners, including India. Poland increased the scale of its activities in that region, too. Political dialogue was intensified, its principal issues being global affairs and international security, including the war against terrorism. However, it is economic interests that have been prioritised in Polish policy towards India. An increase of trade exchange, development of export, attraction of direct investments, and searching for sources of necessary import are the most important factors determining Poland's foreign policy with respect to countries of that region. Co-operation in such areas as science, technologies, culture and education has been developed, whilst no less emphasis being laid upon collaboration with regional organisations, such as Association of South East Asian Nations (ASEAN), and using forms of dialogue developed by the European Union with Asian countries (EU-ASEAN and ASEM summits). Poland's activity towards India, re-launched at the beginning of the 21<sup>st</sup> Century, has been regarded as a long-term process which will be carried in three different dimensions: political, economic and cultural/promotional. Of course, economic aspect is going to be the principal one, quite understandably in the context of the Polish hope to extend its economic relations with Asian countries.

In an attempt to evaluate Polish foreign policy towards India one has to underline an evident rapprochement in relations between Warsaw and New Delhi that has taken place during the first years of this Century and especially since Poland's accession to the EU. Mutual relations were extended as regards the scope of specific affairs. A level of political dialogue was raised and it included new areas, such as non-proliferation of weapons of mass destruction and terrorism. Among facts and phenomena that became sources of that process one should mention: an increase of Poland's activities in relations with non-European countries, its membership in the EU and – in consequence – its ability to use a broader array of instruments for implementation of Polish foreign policy towards countries of Asia and Pacific region. Also, Polish enterprises and businessmen became more interested in Asian markets. And, finally, the other way round, we have been witnessing more interest in Poland on the part of its Asian partners.

However, there are still many challenges Polish diplomacy has to face in that context. Factors limiting Poland's co-operation with Asian countries include: disproportion (negative for Poland) in trade with most Asian countries, for example with China; Polish poor export offer for them; strong international competition and inadequate activity of Polish exporters and

investors in Asian market; and finally, vast cultural differences as we are in fact speaking about two different civilisations. Nevertheless, these limitations also indicate that Poland should attempt to extend its political, economic and cultural dialogue with Asian countries anyway.

If one dares to foresee future Polish relations with countries of Asia and Pacific region and specifically with India, it can be supposed that Warsaw is soon going to mainly focus upon improving its trade exchange balance in dealing with New Delhi. At the same time, Poland will also develop cultural relations. Moreover, due to its membership in the European Union, Poland will constitute an area of particular interest of Asian investors.

It should be emphasised, however, that in any case it is up to Poland to determine its role and position in the region under consideration, including its relations with India. Therefore, Poland should take full advantage of instruments of the Community policies, including the Common Foreign and Security Policy, since after the country's accession to the European Union its relations with India should also be analysed in the context of relations between India and the EU as the whole. Still, it is in the interest of Poland to develop those relations, especially in economic terms and to involve India in mechanisms of co-operation between Asia and the European Union. Moreover, Poland certainly should not restrict its attention to economic matters, but take proper care for co-operation with India in the areas of science and technology as well.

## **Conclusions**

At the turn of 20<sup>th</sup> and 21<sup>st</sup> Centuries relations between India and the European Union extended from mainly economic co-operation to aspects of political collaboration as well. India started to treat them in a more complex manner, and extended its policies beyond just economic relations as it used to do throughout the Cold War period. At the same time co-operation between both parties became more institutional in political sphere, as manifested by initiating the EU-India summits. New importance of these relations were underlined not only by the significant growth of trade volume between the parties during recent years, but also by the establishment of strategic partnership in 2004. This way, India began to associate the European Union with the issue of transformation of international order, appreciating such common elements as democracy and multi-polar system.

However, India's decision on entering into strategic partnership with European Union in fact remained mostly in a sphere of declarations and meant little in terms of formulation of that country's international strategy in the post-Cold War period. Divergences became easily visible in attitudes towards

such matters as principles of use of force in international relations, the issue of unilateralism or international nuclear regimes. Tensions and conflicts also emerged in economic area, over such matters as agricultural subsidies or protection of intellectual property. In consequence, the India-EU relations are described as “*full of differences and tensions*”,<sup>78</sup> the problem further aggravated by the already mentioned deficit of information regarding the EU in India. The European Union has been perceived by the Indian society but also by that country’s political and business elites mainly through the lens of relations with its leading Member States rather than recognised as a superior-level entity. This way India in fact focuses to much larger degree on developing relations with individual countries (including, especially, France, Germany and the United Kingdom) rather than with the EU as the whole. While admitting having some important values in common with the EU, at the beginning of the 21<sup>st</sup> Century India did not really regard it as its strategic partner. It can be evidenced, among other things, by the fact that the Prime Minister of India did not mention the European Union among his country’s strategic partners during the celebration of anniversary of gaining State independence (admittedly, this happened in 2005 just one year after the agreement on such strategic partnership had been concluded between the EU and India).<sup>79</sup>

Despite these problems it is said that at the outset of the 21<sup>st</sup> Century India’s relations with the European Union feature both an increase of importance of economic factor and the initiation of new facets of co-operation. In the 1990s, apart from further intensification of economic relations, it was intended to extend bilateral relations India-EU by inclusion of political dimension, which was advocated by similar or common attitudes as regarded visions of the future world. This is important, since the essence and nature of those relations should in fact be considered in terms of transformation of international order and common vision of the world.<sup>80</sup> At the same time, the same conditions influenced the evolution of relations between India and Poland.

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<sup>78</sup> H.Kapur, *The Uneasy India-EU Relationship*, “The EurAsia Bulletin”, November-December 2006.

<sup>79</sup> The Indian Prime Minister’s 2005 Independence Day Address, source: <http://www.pmindia.nic.in/speeches.htm>

<sup>80</sup> H.S.Chopra, *India and the European Union in: India’s Foreign Policy. Challenges and Prospects*, ed. N.Jetly, New Delhi 1999, p.177.