



European Economic and Social Committee

REX/175
India-EU relations

Brussels, 12 May 2005

OPINION

of the
European Economic and Social Committee
on
India-EU relations
(Own-initiative opinion)

Rapporteur: **Mr Sukhdev Sharma**

At its plenary session of 27 January 2004, the European Economic and Social Committee decided, under Rule 29(2) of its Rules of Procedure, to draw up an own-initiative opinion on

India-EU relations.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 14 March 2005. The rapporteur was **Mr Sukhdev Sharma**.

At its 417th plenary session (meeting of 12 May 2005), the European Economic and Social Committee adopted the following opinion (unanimously) by 145 votes in favour and two abstentions.

*

* *

1. Introduction

- 1.1 The first Information Report on “India-EU Relations” (CES 947/2000) was adopted by the Section for External Relations in December 2000, in the run-up to the first meeting of the India-EU Round Table, held in New Delhi in January 2001. The European members of the Round Table are drawn from the EESC, while its Indian members come from a cross-section of organised civil society (see Appendix I).
- 1.2 Since its inauguration in 2001, the Round Table has established itself as an important institution for the further development of EU-India relations. It held its seventh meeting in June 2004 in Srinagar, Kashmir, and its eighth in December 2004 in London, when such sensitive issues as child labour and gender equality at the workplace were discussed in a frank yet constructive manner. (See Section 5: The EU-India civil society dialogue so far.)
- 1.3 This own-initiative opinion on India-EU relations has been prepared in view of the growing importance of these relations since 2000. This importance is clearly reflected in a number of developments in 2004.
- 1.4 **This own-initiative opinion therefore does not limit itself to updating the 2000 Information Report on India-EU Relations. It also stresses the need for the EESC to take full advantage of the strong political support, in both the EU institutions and the Indian government, for closer cooperation between European and Indian civil societies. To this end this own-initiative opinion notes the contribution that the EESC has already made to bringing together Indian and European civil societies in a meaningful dialogue. It sets out the further contribution which the EESC can make, particularly to the preparation of the Joint Action Plan for an EU-India Strategic Partnership, notably through the Round Table.**

- 1.5 The European Commission sent its wide-ranging proposals for a strategic partnership with India to the Council, European Parliament and the EESC in June 2004, in response to the fact that India-EU relations have “developed exponentially in scope and intensity in recent years.” The Commission called for an Action Plan, to be endorsed at the sixth India-EU summit in 2005.
- 1.6 The Indian government responded favourably in August to the Commission’s Communication of June 16, and proposed the creation of a Ministerial level committee to draft the Action Plan, for approval by the sixth summit.
- 1.7 The EU Council, in its Conclusions, adopted in October, “welcomed the thorough and comprehensive” Commission Communication. The Council fully supported its overall objectives, and undertook to “work with the Commission towards their implementation.”
- 1.8 The European Parliament recommended to the Council in October that it “take the decision to up-grade the India-EU relationship to a Strategic Partnership,” and that it also take the “necessary practical steps” to this end.
- 1.9 The fifth India-EU summit, held in the Hague in November, called on the two sides “to jointly elaborate a comprehensive India-EU Action Plan for a Strategic Partnership and a new Joint Political Declaration, based on the Commission’s Communication, the Council’s Conclusions and India’s response paper, for approval at the sixth summit meeting.”
- 1.10 **At its December meeting in London, the Round Table, in its recommendations to the India-EU summit in 2005, “recognised that the India-EU Strategic Partnership provided opportunities to enhance and widen the role of civil society in this partnership, through the forum of the Round Table.” It emphasised “that civil society must be an integral part of this new partnership,” and expressed itself “keen to actively contribute to the Joint Action Plan.”**
- 1.11 The length of the European Commission’s paper, and the Indian Government’s response, might suggest that much remains to be done to strengthen and deepen India-EU relations. The fact is that they already enjoy a close relationship, within a “partnership based on the sound foundation of shared values and beliefs,” according to the summit statement. Indeed, the three documents mentioned above make clear how much has been achieved to date.
- 1.12 The India-EU partnership has evolved over the years from economic and development cooperation to acquire higher political and strategic dimensions, given that both India and the EU are important actors on the global stage, with a shared view of a world order based on multilateralism. Their political dialogue now includes a regular summit, which in recent years have taken place annually, annual “troika” ministerial meetings, and following the adoption of the India-EU Joint Declaration on Terrorism in 2001, twice yearly meetings of COTER

Troika, a political working group on anti-terrorism. The institutional machinery also includes the Consular Affairs working group, twice yearly meetings of senior EU and Indian officials since 2000, as well as the biannual meetings of the India-EU Round Table.

- 1.13 Trade and investment remain a cornerstone of the India-EU relationship. The EU is India's largest trading partner and the main source of foreign inward investment. Although both trade and investment are clearly below potential, Indian and European economic operators made recommendations for action in eight sectors under a joint initiative for enhancing trade and investment. A EUR13.4 million trade and investment development programme will build on these recommendations. Meanwhile, the EU and India have concluded a customs cooperation agreement, designed to improve trade flows, and are negotiating a maritime agreement, to encourage the development of the activities of Indian and European shipping companies.
- 1.14 India's Information Technology (IT) exports to the EU rose to over EUR2 billion in 2003, and represented 20% of the country's total software exports. Some 900 Indian and European companies and organisations took part in the 2004 Euro-India cooperation forum on the Information Society, held in New Delhi in March 2004. Meanwhile, an Information Society dialogue was launched on the basis of the 2001 Joint India-EU Vision Statement on the development of the information society and information and communication technology. It provides for research in six priority sectors and an in-depth dialogue on regulatory frameworks for the Information Society and electronic communications.
- 1.15 Cooperation in science and technology, which began in the mid-1980s, has emerged as one of the most promising areas of India-EU cooperation. The 2002 scientific and technological cooperation agreement provides a legal framework for Indian and European scientists to take part in each other's programmes, while India is a "target country" for collaboration under the international framework of the EU's sixth Framework Research Programme.
- 1.16 India and the EU are working on a draft cooperation agreement on the EU's Galileo satellite navigation project. Given India's capabilities in satellite and navigation related activities, the agreement will encourage industrial cooperation in many high-tech areas. India and the EU already have a long history of working together through their respective space agencies, ESA and ISRO, in the peaceful exploration and use of outer space. The EU meanwhile has expressed an interest in India's unmanned lunar exploration mission, Chandrayaan-1.
- 1.17 There are new approaches to development cooperation. India is becoming an atypical actor, with an evolving development policy, in which it is both recipient and donor. This shift was evident during the devastation that followed the "tsunami" which struck countries bordering the Indian ocean on 26 December 2004. India refused foreign emergency aid, even while providing large-scale emergency assistance to Sri Lanka. As recipient, India now accepts development aid from a select group of bilateral donors now expanded to include the EU, the G-8 countries and small bilateral donors who are not part of G-8, but which are accepted if contributions exceed \$ 25 million per year. The EU is providing EUR225 million in grants to

India for the period 2001 and 2006, four-fifths of it for poverty reduction. Development cooperation will focus on the states of Rajasthan and Chattisgarh, and will be largely devoted to education and health programmes.

- 1.18 **The EESC must respond effectively to this rush of politically significant developments in a period of six months, the first half of 2005. The European Commission in fact has proposed in its June Communication that the Round Table should be fully integrated into the India-EU institutional machinery, with its co-chairs invited to present non-binding policy recommendations to the summit. The Council supported the Commission's proposals to increase mutual understanding through "increased cooperation between political parties, trade unions, business associations, universities and civil societies." And The Hague summit agreed to "promote cooperation between political parties, trade unions, business associations, universities and civil societies."**
- 1.19 **This own-initiative opinion also looks at the ways in which the Round Table can be made more effective, and its website, the India-EU civil society Internet Forum, used both to add to the Round Table's effectiveness and to reach out to a much wider range of Indian and European civil society organisations.**
2. **Contributing to the India-EU Strategic Partnership**
 - 2.1 **The Round Table welcomed the launch of the India-EU strategic partnership, when it met in London in December, 2004, and undertook to contribute to the Joint Action Plan to be drawn up in 2005, ahead of the sixth India-EU summit. It declared its intention "to make proposals in areas where civil society can bring real added value, particularly with regard to achieving the Millennium Development Goals, promoting sustainable development and managing globalisation." The Round Table also undertook to see how civil society can help implement the Joint Declaration on Cultural Relations.**
 - 2.2 The Round Table, like the EESC, is well placed to contribute to the India-EU strategic partnership. Since its inaugural meeting in New Delhi in January 2001, the Round Table has (1) discussed many of the topics covered by the European Commission in its 16 June Communication, and (2) made recommendations to the India-EU summits on these very topics. At its London meeting it recognised that the emerging strategic partnership "provided opportunities to enhance and widen the role of civil society, through the forum of the Round Table." The Round Table had already discussed and made recommendations on a number of issues, including globalisation, trade and investment; the WTO; intellectual property, and media and culture at its second meeting, held in Brussels in July 2001. It not only returned to these subjects at subsequent meetings, but also broadened its agenda to include cooperation in food and agribusiness; human rights in the work place; sustainable development and tourism. **It will take its earlier exchanges on cultural issues a good deal further with a discussion, at its next meeting, on cultural and religious pluralism in democratic societies.**

- 2.3 **Rather than look at all the topics raised by the European Commission in the framework of the strategic partnership, the Round table decided at its London meeting to confine itself to those areas where civil society has a unique contribution to make. It could therefore usefully consider its contribution to the following areas, identified by the Commission as important elements of the emerging strategic partnership.**
- 2.3.1 *Conflict prevention and post-conflict reconstruction:* These are areas in which India has played an important part, both through the UN and bilaterally, as in Afghanistan, as the Commission has pointed out. Hence its proposal that that the EU and India explore ways of formalising regular cooperation in these areas. The Commission also suggests that they co-sponsor a UN conference on conflict prevention and post-conflict management, and start a dialogue on the contribution of regional integration to conflict prevention.
- 2.3.2 *Migration:* International migration has increased in the face of globalisation, the Commission notes. This has led to increased migrant remittances, on the one hand, and to problems of illegal migration and human trafficking on the other. The Commission favours a comprehensive dialogue, covering not only legal migration, including labour migration and the movement of workers, and visa issues, but also combating smugglers and traffickers, the return and readmission of illegal migrants, and other migration-related subjects.
- 2.3.3 *Democracy and human rights:* The Commission favours extending the present dialogue to such topics as abolition of the death penalty, gender discrimination, child labour and labour rights, corporate social responsibility and religious freedom. The Commission is prepared to fund projects in India under the European Initiative for Human Rights and Democracy. *The EESC feels that caste-based discriminations need to be addressed.*
- 2.3.4 *Environmental issues:* India and the EU should work together to promote cooperation on global environmental challenges, like the UN Conventions on Biological Diversity, where a constructive dialogue could be developed on “Access and Benefit Sharing” (ABS). India would be invited to organise an India-EU Environmental Forum, including civil society and business, in order to exchange views, know-how and scientific and technical information. *The Committee believes that issues of energy policy and energy security should be addressed in the near future by the India-EU Round Table.*
- 2.3.5 *Sustainable development:* To be promoted through dialogue on issues such as encouraging trade flows in sustainably produced goods, labelling and sustainable impact assessment, according to the European Commission. The Commission also supports greater use of the Sustainable Trade and Innovation Centre (STIC).
- 2.3.6 *Development cooperation:* India has reduced the number of bilateral donors to six (the EU, UK, Germany, US, Japan and Russia). The country in fact has become both a recipient and a donor of development aid. Even so, the Commission wants the EU to help India meet the Millennium Development Goals. Social and economic cohesion could be made a priority,

based on the experience gained in EU support programmes in India in elementary education and basic health. The Commission believes that EU development cooperation should focus increasingly on helping marginalised groups. It should also support the promotion of the core ILO conventions. *In the view of the EESC, India should ratify the 3 core ILO Conventions which have not yet been ratified by India.*

- 2.3.7 *Cultural cooperation:* The Commission wants to reinforce cooperation in film and music in particular. A Cultural Week would be held to coincide with the political and business summits. *The Committee notes that the 2006 year for inter-cultural dialogue could provide a suitable opportunity for the Round Table to address the issue.*
- 2.3.8 *Visibility:* Indian public opinion needs to be informed of all the facets of the EU, not just its trade relations, in the Commission's view. It will launch a research project to identify target audiences, key messages, main instruments and how best to deploy them. Member states as well as the European Parliament are invited to contribute to the work of raising the EU's profile in India. New Delhi would be expected to devise its own communications strategy.
- 2.3.9 *Trade and investment:* As the European Commission points out in its Communication, trade and investment form "a cornerstone of the India-EU relationship." Several of the proposals contained in its Communication therefore deal with these two subjects, at both the multilateral and bilateral levels. The Commission wants the EU to achieve greater convergence with India on key issues in the Doha Development round of trade negotiations in the WTO. It also favours a bilateral dialogue on intellectual property rights (IPR), for example, in order to reach a common understanding on TRIPS.
- 2.4 In a section of its Communication devoted to boosting business-to-business cooperation, the Commission wants the EU to help set up a Business Leaders Round Table. The proposal has the support of The Hague summit. Meanwhile, the India-EU Joint Initiative for enhancing trade and investment has enabled a direct dialogue between business and policy makers. Indian business and industrial organisations already hold an India-EU Business Summit to coincide with the political summit, and submit the findings of the business leaders to their political leaders.
- 2.5 **Given that the Round Table's members are drawn from business and employers' organisations also, it could usefully consider how best to take part in the activities, jointly undertaken by the Indian and European business communities. While it clearly has a role to play in strengthening the India-EU economic partnership favoured by the Commission, the Round Table's contribution to the Joint Action Plan should focus on promoting sustainable development and managing globalisation, as the London meeting decided.**
- 2.6 **The Round Table's members come from the academic community also. It could therefore consider its contribution to the academic programmes set up by the European Commission or in preparation, and mentioned in its Communication. They include a**

European studies programme at the Jawaharlal Nehru University in New Delhi. A scholarship programme, with a budget of EUR33 million, should become operational from the academic year 2005/2006. It will be linked to the EU's Erasmus Mundus programme, and will focus on postgraduate studies for Indian students in EU universities.

3. **Civil society in India and Europe**

What do we mean by "civil society?" The EESC believes that "it can be defined only loosely, as a society that embraces democracy. Civil society is a collective term for all types of social action, by individuals or groups, that do not emanate from the state and are not run by it"¹. Its advocates in India would agree that civil society embraces democracy and that it can act effectively only in a democracy. Indeed, some who are active in civil society organisations in India have been inspired by the achievements of civil society in Europe and the United States, others by the tradition of social and political activism established by Mahatma Gandhi.

3.1 **Civil society in India**

3.1.1 The growing importance of Indian civil society is evident in the proliferation of all kinds of voluntary organisations. (This is the preferred term in India; the term "non-governmental organisation," or NGO, has become popular only in the last 20 years.) Their number was estimated at between 50,000 and 100,000 some 10 years ago, and it has almost certainly risen since then. Civil society organisations engage in a wide range of activities throughout India, and include business and professional organisations and trade unions.

3.1.2 Indian civil society organisations:

- are engaged in the traditional development activities associated with NGOs – running literacy programmes, operating dispensaries and clinics, helping artisans, such as weavers, market their products, etc. As they usually operate at the local level, they also help government agencies implement public policy in a decentralised manner;
- conduct in-depth research in order to lobby the Central and State governments and/or industry;
- **try to raise the political awareness of various social groups, encouraging them to demand their rights;**
- **represent special interest groups, such as the disabled, the aged and refugees;**
- act as innovators, trying out new approaches in solving social problems;
- represent Employer organisations, trade unions, mutual organisations and cooperatives;
- include organisations representing farmers;
- include organisations active in combating the spread of HIV/AIDS, and

¹ Economic and Social Committee, "Opinion on the role and contribution of civil society organisations in the building of Europe", pt. 5.1., adopted on 22 September 1999, OJ C 329, 17.11.1999).

- finally, there are the activists. Since the 1970s they have been forming broad-based social movements – farmers’ movements; women’s movements, defining and promoting women’s issues; environmental movements, which try to get the government to pay more attention to environmental concerns; movements defending consumers’ rights, etc.

3.1.3 On development issues in particular both NGOs and the government feel they must work as partners. Thus the country’s Planning Commission has funded voluntary organisations at various times. The tenth 5-year plan, the latest, notes that:

"Plans should be reflective of the actual requirements of people, and economically and socially sensitive to the ethos of people for whom they are meant. People must feel the sense of ownership of such plans and must contribute to such end. The trend of expecting the government to do everything for the people must end; programmes and schedules where people participate have been known to be much more effective."

3.1.4 The Planning Commission has a voluntary action cell, which is its interface with the voluntary sector. It has now decided “to form consultative groups ... consisting of people from various parts of the country who know what is happening on the ground and who can suggest what needs to be changed and how,” according to Ms Sayeeda Hameed, a member of the Planning Commission.²

3.1.5 The Congress Party has always been supportive of civil society, and the Congress-led coalition government in New Delhi is likely to attach greater importance to its activities than its predecessor. Shortly after it was set up, the new Government held consultations with civil society organisations, to get their response to its Common Minimum Programme (CMP). It has set up a National Advisory Council (NAC), chaired by Mrs. Sonia Gandhi, leader of the Congress Party, which should be seen in this light. A leading Congress Party member who was associated with the creation of the NAC, noted that it “would be the interface of the United Progressive Alliance (UPA) government with civil society; it will bring in fresh thinking into planning that otherwise is not associated with the government³.” The NAC, whose 12 members were nominated by Prime Minister Manmohan Singh, is expected to advise him on how the Alliance’s Common Minimum Programme should be implemented. While advisors to governments are often retired civil servants or diplomats, half the members

² Opening the Planning Commission to the people: Sayeeda Hameed,” by Rajashri Dasgupta. InfoChange News and Features, September 2004.

³ "The Hindu", 26 June 2004. Very similar views were expressed by Jaswant Singh, Minister for External Affairs, in the BJP-led coalition government, when he inaugurated the EU-India Round Table with Commission Chris Patten in 2001.

of the NAC are hands-on public workers from the non-governmental sector⁴. Mrs Sonia Gandhi would like to give priority initially to agriculture, education, health and employment.

3.2 **Civil society in the European Union**⁵

3.2.1 Civil society is as dynamic in the EU as it is in India with numerous organizations that are active at the local, national and EU level. But it has an important advantage over the latter: organised European civil society has its own “apex body” in Indian jargon – the European Economic and Social Committee (EESC) in Brussels. What is more the EESC is an integral part of the institutions set up under the 1957 Treaty of Rome, which established the 6-nation European Economic Community, that is today’s 25-nation European Union⁶. The EESC today has 317 members, drawn from the 25 Member States. They are appointed by the EU Council of Ministers, on the basis of proposals by the Member States. Members belong to one of three groups: employers, workers and various other interests. Members of the third group represent farmers, small and medium-sized enterprises, artisans, the professions, cooperatives, consumer organisations, environmental protection groups, family associations, women’s organisations, scientists and teachers, non-governmental organisations (NGOs), etc., according to the Treaty of Rome.

3.2.2 The EESC is a non-political consultative body, with advisory powers. Its purpose is to inform the EU institutions responsible for decision-making of the views of its members. There are some 14 policy areas in which a decision may be taken by the EU Council or European Commission only after it has consulted the EESC. These areas include: agriculture; the free movement of persons and services; social policy, education, vocational training and youth; public health; consumer protection; industrial policy; research and technological development and the environment. The Council, Commission and European Parliament may also consult the EESC on any other matter, as they see fit. The EESC, for its part, may also issue an opinion on matters it regards important of consideration; hence this “own-initiative opinion” on EU-India relations.

3.2.3 The EESC’s role as a facilitator of a dialogue with civil society extends beyond the borders of the 25-nation European Union. It is an active participant in an on-going dialogue with the Euromed partnership countries and the African, Caribbean and Pacific (ACP) countries with

⁴ They include Prof. Jean Dreze, an Indian citizen of Belgian origin who has been associated with Dr. Amartya Sen; two former members of the Planning Commission, MM. C.H. Hanumantha Rao and D. Swaminathan. Those from civil society organisations include Ms Aruna Roy, a social activist; Jayaprakash Narayan (health and environment); Ms Mirai Chatterjee (SEWA) and Madhav Chavan (primary education).

⁵ A reference to European civil society may seem unnecessary, especially if it is limited to the European Economic and Social Committee. But the Indian civil society organisations will be interested to know that their EU counterparts have what in Indian jargon is an “apex body”.

⁶ Article 193 of the Treaty stipulated that “the Committee shall consist of representatives of the various categories of economic and social activity, in particular, representatives of producers, farmers, carriers, workers, dealers, craftsmen, professional occupations and representatives of the general public”.

whom the EU is linked through the Cotonu Convention. It also is engaged in a dialogue with civil society in the Latin American countries, including the Mercosur states and, last but not least India- through the India-EU Round Table and China.

4. Recent developments in India and the EU

- 4.1 **A full account of the dramatic changes taking place in both the EU and India would run to several hundred pages. This report focuses on the key developments that will enable the EESC to contribute more effectively to strengthening EU-India relations.** The key developments as regards the EU are its enlargement to 25 Member States, action to create a wider Europe through the European Neighbourhood Policy (ENP) and the implementation of the “Lisbon Strategy” which the European Council adopted in Lisbon in March, 2000. This strategy, with its emphasis on sustainable development, seeks to make the EU the most competitive and dynamic knowledge-based economy in the world by 2010. Another key development has been the agreement on a European Constitution, which now awaits ratification by the 25 Member States.
- 4.2 The EU’s enlargement on 1 May 2004 has dramatically altered both the political and economic landscape of Europe. The political consequences of enlargement are likely to be more important than the economic, if only because the process of integrating the economies of the 10 new member states began well before they formally joined the EU on 1 May 2004. Enlargement has raised the EU’s population from 380 million to 455 million, so that it now accounts for 7.3% of world population. It has increased the EU’s gross domestic product (GDP) from EUR9.3 trillion to EUR9.7 trillion, raising the EU’s share of world GDP to 28.7%. Enlargement has resulted, however, in a fall in per capita GDP to EUR 21,000 (from EUR 24,100) and a fall in its trade with non-EU countries to EUR 1.8 trillion (from EUR 2 trillion). This is because the trade between the EU-15 and the 10 candidate countries is now part of the internal trade of the 25-nation EU.
- 4.3 With enlargement, the EU’s borders have expanded. The EU began to develop policies, aimed at creating “a ring of friends,” in advance of enlargement, however. To this end it has conceived the European Neighbourhood Policy (ENP), covering six East European countries (Ukraine, Moldova, Georgia, Armenia, Azerbaijan and Belarus) and nine southern Mediterranean countries - Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria and Tunisia - and the Palestinian Authority. The aim of the ENP, as confirmed by the EU Council in April, 2004, is to “share the benefits of an enlarged EU with neighbouring countries, in order to contribute to increased stability, security and prosperity of the European Union and its neighbours⁷.” The ENP involves “a significant degree of economic integration and a deepening of political cooperation, with the aim of preventing the emergence of new dividing lines between the enlarged EU and its neighbours,” according to the Council.

7

General Affairs Council of 14 June 2004. European Neighbourhood Policy – Council conclusions.

- 4.4 In the case of India, the key development was the largely unexpected outcome of the general elections held in May, which resulted in a Congress-led coalition under Prime Minister Manmohan Singh succeeding the BJP-led coalition under Prime Minister Atal Behari Vajpayee. The high level of participation in the general elections, the successful use of electronic voting machines throughout the country, and the smooth transfer of power in New Delhi, despite the political upheaval occasioned by the elections results, all justified India's claim to be the world's largest democracy.
- 4.5 The Congress party's surprise victory led to speculation that any Congress-led coalition government either could not last or would be obliged, by its "outside" supporters, the Communist party in particular, to roll back the reforms. It must be remembered, however, that the reforms, which included dismantling import controls and opening up capital markets, were launched by a Congress government in 1991, and that its chief architects were the new Prime Minister, Manmohan Singh, and the new Finance Minister, Palaniappan Chidambaram. The latter in fact sees himself as the "investment minister" in the Congress-led coalition. In other words, civil society organisations representing business and finance, such as those represented on the EU-India Round Table, will work with him to develop the country's knowledge-based economic sectors.
- 4.6 The Government nevertheless wants its economic strategy to have "a human face," in order to lift out of poverty the estimated 300 million Indians surviving on less than EUR 0.75 (\$1) a day. Hence its efforts to achieve annual growth rates of 7% to 8%, to help farmers, empower women and increase spending on health and education.
- 4.7 **The challenges facing Indian civil society would provide European civil society organisations an opportunity to cooperate with Indian counterparts, to their mutual benefit. This would be done initially through the EU-India Round Table, but could involve, fairly quickly, organisations with which the European and Indian members of the Round Table have close links as well as other members of the EESC with expertise in rural development, health and education, for example. This collaboration in the field, as it were, between European and Indian civil society would ensure that the Round Table's recommendations to the annual EU-India summits were practical, because based on experience.**
5. **The EU-India civil society dialogue so far**
- 5.1 **In order to map the way ahead, we must first look at where we are coming from. The starting point for an enhanced civil society dialogue must therefore be the institutional machinery already in place for conducting such a dialogue and its achievements to date.** For the EESC this means assessing the work of the EU-India Round Table to date and agreeing on how best to further its aims, always bearing in mind such related developments as the Hague Summit decision to promote cooperation between not only civil societies but also political parties, trade unions, employer organisations and universities.

- 5.2 Reference has been made to the issues that have been discussed at the various meetings of the Round Table since its inception in 2001, in order to demonstrate its credibility as a key partner in the elaboration of the Joint Action Plan. **Some idea of the continuity in the work of the Round Table, the scope of the topics under discussion, and the atmosphere of trust in which these discussions take place may be had by looking at the outcome of recent meetings.**
- 5.3 Thus at its sixth meeting, held in Rome, the Round Table made a series of recommendations, ranging from initiatives to support Corporate Social Responsibility (CSR) and special support for SMEs to the rationalisation of regulations governing the temporary movement of knowledge workers from India within the EU, and support by the EU of industrial clusters in a few select sectors which have export potential and promote development. At the same time the Round Table nominated two rapporteurs to assess how better to integrate the perspectives of civil society organisations into the promotion of trade and sustainable development.
- 5.4 This topic was discussed at the 7th meeting of the Round Table, held in Srinagar in June 2004. It was agreed that in order to deepen a joint understanding of sustainable development, practical examples from India and the EU should form the basis of the final report, to be submitted to the 9th meeting of the Round Table. The Srinagar meeting also discussed India-EU cooperation for developing tourism, on the basis of a presentation made by EESC and Indian delegates of the Round Table. The Round Table agreed that civil society organisations have an important role to play in the promotion of a sustainable form of tourism, one which encourages economic and social development and benefits the population as a whole.
- 5.5 The Rome, Srinagar and London meetings discussed the establishment of the civil society Internet Forum, as recommended by the Bangalore meeting in March 2003. The meetings highlighted the Forum's potential as an ongoing forum of discussion between Indian and European members of the Round Table and an instrument for enhancing the dialogue between civil society organisations in general.
- 5.6 The Rome meeting also reviewed the Round Table's main achievements to date. It endorsed the view that an assessment of this achievements cannot be limited to a numerical analysis of the number of recommendations which have been implemented, not least because a number of these recommendations are not within the capacity or remit of EU and Indian civil society to implement. The fact remains that the Round Table has actually adopted recommendations and joint approaches on a variety of topics, including those which could be considered sensitive, if not controversial. It has also highlighted specific forms of cooperation, such as the creation of the Internet Forum, organised hearings of local civil society organisations during its biannual meetings, and promoted ad hoc EESC-India collaboration, such as the help given by the Indian delegation to the EESC, in its work on the Generalised System of Preferences.

- 5.7 Given that 60–70% of the working population is engaged formally or informally in agriculture, discussions in the India-EU Round Table on issues relating to farming and rural development have been hampered by the absence of farmers' representatives in the Indian delegation of the Round Table.
- 5.8. The Round Table meeting looked at the mechanisms for labour relations and social dialogue in the European Union. It took note of current practice in the Union regarding the actors involved in social dialogue, issues relating to the designation and representativeness of those actors, and the different forums where this dialogue happens. The Round Table also analysed the current labour situation in India, including the structure and composition of trade unions and collective bargaining, labour law reform and India's policy regarding proposals to link labour standards with international trade. It was noted that a large part of the labour force in India is working in the so-called informal sector (small businesses, self-employment, casual employment), and that more should be done to improve the situation of employees. In addition, more efforts are needed to secure the ratification of ILO core labour standards and their implementation in Law and Practice.

6. **An enhanced civil society dialogue: the way ahead**

- 6.1 **The time is ripe for an exponential growth in cooperation and collaboration between organised civil society in the 25-nation EU and India. The EU-India summit has already recognised the importance of the work of the Round Table. The Indian Government has taken a number of decisions aimed at strengthening collaboration with civil society in India. The European Commission, in its Communication of 16 June, has called for the Round Table to “be fully integrated into the institutional architecture”, and its two co-chairpersons to be invited to attend the India-EU summit meetings.**
- 6.2 The Indian government noted, in its initial response to the 16 June Communication, that despite the efforts at “the official level to keep pace with the changes that India and the EU have been undergoing ... there is still a need for enhancing the level of contacts at other levels, including between our respective civil societies.”
- 6.3 **The question that inevitably arises is, how can the Round Table be more effective in the decision-shaping and decision-making process, especially as it enjoys the rare privilege of direct access to the highest political authorities, the Indian Prime Minister and the prime minister of the country holding the Presidency of the EU Council, at their annual summits?** Section 2 of this own-initiative opinion, on “Contributing to the India-EU Strategic Partnership,” has indicated how the Round Table can contribute effectively to the preparation of the Joint Action Plan for a strategic partnership. This activity will last only until the sixth India-EU summit, which is expected to endorse the Plan when it meets during the latter part of 2005.

- 6.4 **Many of the Round Table's recommendations to the India-EU summits will involve medium to long-term commitments.** Experience suggests that the recommendations should also relate to projects to be implemented jointly by European and Indian civil society organisations. Political support would make it easier to secure any funds that may be needed, and would allow organised Indian and European civil society to collaborate on a wide range of projects⁸.
- 6.5 If the Round Table is to be effective in the decision-shaping and decision-making process, its agenda clearly must include topics under discussion at the official level such as those relating to the World Trade Organisation (WTO) and the Doha Development round of trade negotiations. The Round Table could increase its effectiveness by collaborating with the EU-India Business Summit, organised by two of its members, from the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of Indian Industries (CII). It should also ask to be associated with the projected business leaders' Round Table proposed by the European Commission.
- 6.6 **As the Round Table's membership includes academics, it could usefully contribute to the success of the EUR 33 million scholarship programme for India, launched by the European Commission in 2005. The EESC itself could expand its own initiatives on India, such as its earlier decision to ask the Round Table's Indian co-chair to take part in its seminar on the WTO after Cancun.**
- 6.7 **The fact that the channels of communication between officials and business leaders on economic issues are multiplying, does not mean that the Round Table should limit its own discussions on these issues. On the contrary. But rather than focusing on their purely economic aspects, it should look at their non-economic, particularly social, implications.** This is what the Round Table agreed in Srinagar to do in the case of sustainable development: it will consider the concept as incorporating not only the economic aspect of development strategy but also its social and environmental aspects. Outsourcing is another topic which lends itself to such an approach. The issues raised in the EU by outsourcing are very different from those which it has raised in India, but they have this in common: the most difficult to resolve are social issues in both cases. In other words, by adopting a holistic approach the Round Table will be able to ensure that the non-economic aspects of what are deemed essentially economic subjects are given equal weight.
- 6.8 **This shift in focus will allow the Round Table to organise EU-India conferences on social issues, as a complement to the business and political summits. Topics for these conferences can be selected from those already discussed by the Round Table, such as gender equality. Additional topics could include the social effects of outsourcing and**

8

Evidence of this was provided by the decision of the Ministry of External Affairs in New Delhi, to make available the funds needed to meet the operating costs in India of the EU-India Internet Forum set up by the Round Table.

emigration, for example. The importance of such conferences for the balanced development of both European and Indian society cannot be overstated.

- 6.9 **The Round Table will need to look at cultural issues in a more focused way. It could contribute to the implementation to the India-EU Joint Declaration on Cultural Relations.** But the Round Table could usefully look at the recommendation for “a dialogue of civilisations, interfaith dialogue and cultures,” submitted by representatives of Asian civil society to the Asia-Europe Meeting (better known as the ASEM Summit) when they met in Barcelona in June, 2004⁹. ASEM leaders have already begun a dialogue of civilisations, which was attended by EU heads of state or government, but not India, as it is not a member of ASEM. In its response to the Commission’s Communication India has indicated its readiness to engage in a dialogue with the EU on the problems posed by religious extremism and fundamentalism.
- 6.10 **Success in these ventures will require the Round Table to reach out to far more civil society organisations than it can physically accommodate during its meetings. But it already has the perfect instrument for this purpose – the Internet Forum which it has set up. By opening up the Forum to other civil society organisations in the EU and India, the Round Table can involve them in its discussions.** As the number of such organisations is very large, access can be limited initially to organisations known to the members of the Round Table. As a complement to these exchanges through cyberspace, the Round Table would continue to invite local civil society organisations to its regular meetings.
- 6.11 **The Internet Forum also offers a ready channel of communication for the members of the Round Table in-between their biannual meetings, given that the Indian members are scattered across the length and breadth of their country.** Draft reports can be posted on the Forum, for comments by members in advance of the meeting. Discussions during the meeting itself would be much richer as a result, and the recommendations to the EU-India summits more focused. The members can keep each other informed of their own activities, thus making it possible for them to know each other better, certainly at the professional level. And as the number of European and Indian organisations accessing the Forum increases, those with shared interests could use it to start working more closely with each other, sharing experiences to begin with, but going on to develop joint projects.
- 6.12 **Two further issues which the Round Table has extensively discussed are the role of the media in strengthening civil society and cultural cooperation. It can usefully contribute, therefore, (1) to the efforts of the member states, European Parliament and European Commission in raising the EU’s profile in India, particularly among civil society organisations, and (2) to the elaboration of a specific chapter on cultural cooperation in**

⁹

The Barcelona Report. Recommendations from civil society on Asia-Europe relations, addressed to the ASEM leaders. Connecting Civil Society from Asia & Europe: an informal consultation. 16-18 June 2004, Barcelona, Spain.

the Action Plan for a Strategic Partnership, on the basis of the India-EU Joint Declaration on Cultural Cooperation of 8 November 2004.

7. Conclusions

7.1 The EU and India are more determined than ever before to broaden and deepen their cooperation. The latest evidence of this is the speed with which the European Commission and India's diplomatic mission to the EU have begun work on the Action Plan for an India-EU Strategic Partnership. Both want their respective civil societies to contribute to this process. The EESC is already helping bring European and Indian civil societies together through its active participation in the India-EU Round Table, its financial support for the India-EU Internet Forum, and its invitations to the Round Table's Indian co-chair, N. N. Vohra, to take part in activities relevant to India-EU relations.

7.2 Having welcomed the European Commission's Communication on the India-EU Strategic Partnership, the EESC must now contribute actively to the elaboration of the relevant Action Plan. The London meeting of the Round Table undertook "to make proposals to the European Institutions and Indian government in areas where civil society can bring real added value, particularly with regard to the Millennium Development Goals, promoting sustainable development and managing globalisation."

7.3 The Indian government has welcomed the EU's enlargement. In the Joint Press Statement issued after The Hague summit on 8 November 2004, India affirmed its view that "deepening and widening of the EU should contribute to further strengthening of our relations." The EESC, as the consultative body representing European civil society, must therefore both ensure that the 25-nation EU is adequately represented on the Round Table, and raise the profile of India-EU relations in its own activities. The India-EU Round Table can thus become a model for the EESC's relations with other developing countries and regions of the world.

Brussels, 12 May 2005.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Anne-Marie Sigmund

Patrick Venturini

*

* *

N.B. Appendices overleaf.

The India-EU Round Table

The creation of the Round Table in 2000 by India and the European Union (EU) was a particularly significant event: it was a recognition, at the highest political level, that civil society has an important contribution to make to the official decision-making process. The decision to set up the Round Table was taken at the first India-EU summit, in Lisbon in June, 2000, and its inaugural meeting was held in New Delhi in February, 2001. The Round Table has direct access to India-EU summits, and its recommendations form non-binding inputs for decision-making by the Government of India and European institutions.

The 15 European members of the Round Table are drawn from the European Economic and Social Committee (EESC). They represent employers and trade union organizations as well as representatives from other sectors of economic and social life. Its Indian members, in line with Indian practice, are chosen from among the eminent personalities active in civil society organizations. One of the two co-chairmen is the EESC President-in-Office, the other is N. N. Vohra, a retired Indian civil servant.

Under its terms of reference, the Round Table is expected “to go beyond the scope of discussions associated with intergovernmental negotiating bodies.” The discussions among the 30 or so Round Table members have been frank, constructive, and based on trust. They have also been very wide-ranging, and have broken fresh ground. This was the case, for example, of the presentation on the contribution of the Indian diaspora in the U.K. to India-EU relations, made at the Round Table’s 8th meeting, held in London in December, 2004.

The range of subjects discussed by the Round Table during its eight sessions to date is very broad. Thus at its very first meeting in January, 2001, the Round Table agreed to focus on the contribution of civil society to cope with globalization and sustainable development in a multipolar world. At the London meeting, members agreed to discuss cultural and religious pluralism in democratic societies at their next meeting.

The Round Table’s choice of subjects is reflected in its recommendations to successive India-EU summits. Its earliest recommendations covered media and culture; globalization, trade and investment; the World Trade Organization (WTO), and intellectual property. Subsequent recommendations have covered the role of the media in promoting civil society cooperation; barriers to trade and investment flows between India and the EU; cooperation in the field of food and agribusiness; cooperation in training and education, and the contribution of organized civil society to the work of the WTO.

The Round Table is also expected to reinforce the civil society dialogue. To this end it has set up an India-EU civil society Internet Forum, currently hosted on the EESC website. Given that the Round Table is not simply a series of meetings but also a process, the Forum will make it easier for members to exchange views and share experiences on a year-round basis. It will also help them prepare their

biannual meetings more effectively, given that the Indian members are not grouped together in a single organization, like the European members, but are scattered across the country. The Forum will also enable European and Indian civil societies in general to contribute to the Round Table discussions.

A key element in the India-EU political dialogue, the Round Table expects to make an important contribution to the Action Plan for an India-EU Strategic Partnership, which will be adopted at the sixth India-EU summit in India during the second half of 2005. In its recommendations, the London meeting of the Round Table stressed that civil society must be “an integral part of this new partnership.” It undertook to make proposals “where civil society can bring real added value” – achieving the Millennium Development Goals, promoting sustainable development and managing globalization.

*

* *

INDIA AT A GLANCE

General information

Land area: 3.3 million square kilometres

Population: 1.06 billion (2004 estimate)

Population growth rate: 2.15 percent per annum

Political system: Democracy. The 1950 Constitution provides for a parliamentary system of government, based on universal adult franchise, with an upper and a lower house. The three branches of government are the executive, legislative and judiciary. Federal structure, with elected governments in the 29 states and 6 Union territories.

Head of State: President: Dr. A.P.J. Abdul Kalam Prime Minister: Dr. Manmohan Singh

Gross Domestic Product (GDP): \$610 billion*

GDP growth rate: 8.2 percent in financial year 2003-04

Per capita income: \$2,900 in 2003-04 (Purchasing Power Parity)

Foreign exchange reserves: \$113 billion*

Total exports: \$62 billion*

Total imports: \$75 billion*

Foreign direct investments (FDI) inflow: \$4.5 billion*

Major industries: Textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, gem and jewellery and software.

Exports: Textiles and garments, gems and jewellery, engineering goods, chemicals, leather products.

Imports: Crude oil, machinery, gems, fertilisers, chemicals.

* Government of India, Economic Survey, 2003-04