

NEW REGIONALISM: IMPLICATIONS FOR INDIA-EU RELATIONS

DR. VIKRAMJIT SINGH
ASSOCIATE PROFESSOR, DEPARTMENT OF POLITICAL SCIENCE
DAYANAND COLLEGE, HISAR, HARYANA, INDIA

ABSTRACT:

Demise of Soviet Union created a new international order where nations have to realign their politico-economic relations and India was also not exception to it. During cold war period the regionalism was mainly confined to a geographical entity. After independence India had a very dominant position in South Asia due to its size, large population and vast economy but South Asian nations always maintained distance with India because they always have about role of India in South Asian region. The regional interactions started during 1980s and South Asian Association for Regional Cooperation (SAARC) in 1985 was outcome of these interactions. On the other hand a new kind of regionalism emerged which can be called as inter-region regionalism. This new regionalism can be considered as the base for India-European Union relations in post cold war period. Although India was among first country to make diplomatic ties with European Economic Community in 1962 but the final culmination was in 1994 with signing of Cooperation agreement by political statement with European Union. The two fastest growing economies of Europe and Asia came together because their politico-economic commonalities and both couldn't

ignore each other. This can be considered as foundation for inter-regional regionalism or 'New Regionalism.'

KEYWORDS: Regionalism, New regionalism, EEC, EU, SAARC, SAPTA

INTRODUCTION:

Although the genesis of regionalism can be traced from early periods but the conceptual study of regionalism has begun with the end of Second World War. The landmark consequence of Second World War was the division of whole world into two blocs on the basis of ideology. Soviet Union represented the socialist bloc and USA was the leader capitalistic and democratic world. The entire politics during this period revolved around these two blocs. The nature of world politics was of politico-military alliances because every bloc was in fray to increase its political and military power due to cold war. USA concluded NATO alliance with its allies and on the counter Soviet Union signed WARSAW pact with socialist countries. This character of international politics during cold war period is not regionalism in true sense but it can be termed as the genesis of the concept of regionalism. The concept of regionalism in true sense can be traced from 1950s. Many new regions developed during this period in international relations in addition to two blocs of superpowers. Almost in every continent such regional arrangements came into existence. Organization in African Unity (OAU) in African continent, European Economic Community in Europe and Organization of Petroleum Exporting Countries (OPEC) ,

ASEAN, SAARC in Asia etc. Such regional arrangements were of intra-region in nature but the concept of new regionalism which also can be termed as inter-region regionalism emerged in post cold war period. During cold war period the regionalism was confined to geographical entities of one region but in post cold war period regionalism got a new impetus in form of economic regionalism. Now the regionalism was not only geographical bonding of regions but it was beyond a geographical entity. Now it is purely economic basis across geographical regions and it is also called as inter-region regionalism. This new regionalism is outcome of the process of Globalization, Privatization and liberalization. The whole world has shrunk into a village. New regionalism has serious implications on India-EU relations.

The regionalization process in Asia and Europe are totally different. In Europe it is integration of the markets and economies of European countries through highly institutionalized mechanism executed by bureaucracy. On the other hand in Asia the regionalization is based on bonding of geographical regions to materialize their economic benefits and interdependence of economies of said countries i.e. OPEC in middle-east, SAARC in South Asia. Asian regionalism can be considered as Normative or traditional but European regionalism is institutional, legal and administrative in nature.

Integration of Europe can be traced with the establishment of European Coal and Steel Community (ECSC) in 1952. It can be considered as the beginning of the integration of European community. Another serious effort for European integration was commencement of European Economic Community

(EEC) in 1962. The EEC was more institutionalized and broader integration of European markets. It was a serious effort to bring together the European economy under single platform. The inter-governmental effort to unite Europe was Single European Act (SEA) in 1986. This was first effort on governmental and bureaucratic level for the integration of Europe through institutionalization of market institutions of Europe by Single Market Program. This Single European Act was framed to remove the obstacles to free movement of capital, goods and services, labour and the European Union was formally established by the Treaty of Maastricht in 1993. It was just beginning of European Union and now the major issue before it was its enlargement and institutionalization of this Union and treaty of Lisbon was result to make EU an institutionalized institution. The Treaty of Lisbon in 2009 (also known as the “reform treaty”), which provided dual majority voting and it empowered the European Parliament develop it a legal personality. It also created two new high-level positions at the top of the EU: the President of the European Council and the Representative for Foreign Affairs and Security Policy. The integration of EU was started from 6 countries and now has reached up to 27 members but great jolt to European integration was Britain’s decision to come out from this integration. Total six rounds of enlargements have too place for this integration and the most significant enlargement round was the “Eastern Enlargement” in 2004 the Central and Eastern European states Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Slovenia, Slovakia and Poland joined. Finally,

Bulgaria and Romania joined in 2007, bringing membership to the current 27 members. The EU has not only economic integration but it is also has political and bureaucratic entity. It has common visa and common currency.

Almost all the nations of South Asia have colonial legacy in form or another. So when they got independence, they were very conscious about their sovereignty and territorial integrity because they got this sovereignty after long struggle. Partition of India in 1947 was major characteristic in post-colonial era in south Asia because of huge bloodshed from both sides. So India and Pakistan has a gloomy legacy of hate and conflict and these two nations have major say in South Asia. So during 1950s the nations of South Asia emerged on the world map had the commonalities on the issue of foreign policy and they very closed and protective about their sovereignty and territorial integrity and they considered India as a major threat for their sovereignty. So during the early period, there was no idea of regional integration in South Asia. Besides, India was also reluctant to allow external forces in this region because it was struggling to strengthen its position in this region. As a consequence of all these factors, there was no space for regionalization in post-colonial South Asia. The region was not only a late starter, but also a reluctant starter in regionalisation.

The idea of regional co-operation in the South Asian region originated around 1980. Although during early periods member nations of these region had certain apprehensions for regional cooperation due to the atmosphere prevailed in this

region but gradually the interdependence and growing demands forced these nations to review their previous position and they agreed for coming together for regional cooperation. The major characteristics of regionalism in south Asia are the principles of sovereign equality, territorial integrity, political independence and non-interference in the internal affairs of the other member-states. The core issue for regional cooperation was economic interdependence because all nations were struggling with low economic growth rate and deficiency of infrastructure and heavy industries which prerequisites for economic growth of any nation. So the major area of thrust was the promotion of intra-regional trade in south Asia. So to materialize this intention, the initiative towards forming SAARC Preferential Trading Arrangement (SAPTA) was proposed in December 1991. An Agreement creating the SAPTA was signed on 11 April 1993 during the Seventh SAARC Summit in Dhaka. SAPTA was institutionalized to make concession in tariffs and to the whole procedure easy to accelerate intra-regional trade. SAPTA can be considered as a pivotal institution towards the transition to a South Asian Free Trade Area (SAFTA). The subsequent aim is the formation of a customs union as well as common market and economic

So the process of regionalization started in Asia and specifically in South Asia is totally different from the regionalization of European Union. In true sense in Europe, it was not regionalization but it was integration and in south Asia, it is purely a regionalization as geographical entity based on interdependence of Nations without any integration. The regionalization in South Asia has begun

with the formation of the South Asian Association for Regional Co-operation (SAARC) in 1985. This regionalization is different from European integration in the sense that it is regional group of nations belonging to one geographical region interdependent but with different political identities, even with political hostilities. This is a regional group of the nations of Indian sub-continent. India has dominant position in this regional group due its size, population, economy and strategic strength and Indian position can treated as of big brother. India's vast and fastest growing economy and the largest democracy of the world reckoned India an important power in international politics and economy. So this position of India attracted the fastest growing economy of European Union to have a natural partnership in political, economic and strategic arena.

These regional arrangements in South Asia and Europe have serious implications for India European Union relations. Although the history of relationship between India and Europe can be traced from early times but trade relations between the two got a concrete shape with the advent of East India Company in 1600. European traders started exporting goods from India to Europe and other parts of Asia and the world. With the passage of time, the India became a hub of trade and other economic activities not only for Britain but also for Portuguese, Dutch, French and English East India companies. This market determined economic relationship between India and Europe which changed with the advent of British colonialism in the sub-continent.

First economic diplomatic ties with Europe was signing of diplomatic relations with European Economic Community (EEC) which into existence in 1962. It can be considered as first diplomatic relations with unified Europe. At the time of Indian independence, the whole world was divided into two blocs on the basis of ideology. During the cold-war period, India adopted a policy of non-alignment and maintained close relationship with the former Soviet Union. India also tried to strengthen economic ties with South Asian countries to expand its economic activities and SAARC was outcome of these efforts. India's position in South Asia is very dominating that's why SAARC countries have always suspicion for India because these small nations are very protective for their sovereignty. So India couldn't play a positive role in expanding economic activities on this region. This economic arrangement of India continued till end of cold war. The demise of Soviet Union was a setback for India because it lost not only trustworthy friend but also a big trade partners and on the other hand India couldn't explore ample opportunities for economic expansion on South Asian region because of over-protection and underdeveloped economies. On the other hand Indian government launched economic reforms in July 1991 to expand and integrate Indian economy with world economy and these reforms further accelerated the growth and made the most fast growing economy of the world. So with demise of Soviet Union and deficient opportunities in South Asian Region India was force to realign its economic relations with partner. From the time cold India had India had not very cordial relations with USA. So it couldn't be the natural economic partner of India.

So in this light India had to realign its economic relation where it could find more opportunities for expansion of its economy. During the same period Europe got unified in form of European Union and it became world's largest and fastest growing economy. So India had left no other option but to come together with European Union for fast economic growth and expansion of its economic activities. So in this situation India had to work out new political ties with the EU and had to redefine its economic and foreign policies towards the EU and subsequently it took steps to develop closer ties with the EU.

The demise of Soviet Union not only created economic vacuum for India but also created big challenge and threat from security point of view. The 1991 Gulf War led to shoot in oil prices and led India's fragile economy into a balance-of-payments crisis. At the same time, the loss of Soviet military support left India vulnerable from a security point of view.

It took years 20 years after the formation of European Economic Community for the unification of Europe in form of European Union. India was among first countries to make diplomatic ties with EEC and after 20 years India was again among first countries to make tie with European Union. In 1994 India signed a Cooperation Agreement, accompanied by a Joint Statement on Political Dialogue on the basis that both share democratic ethos and unity in diversity. India signed several economic agreements with EU to strengthen its economic activities. Although a feeling of bitterness arose in relationship between the two after India's nuclear test in 1998 but it was temporary phase of misunderstanding and bitterness. Both emerging economies couldn't afford to

ignore each other for long time. Another landmark milestone in relationship was Hague summit of 2004 where “Strategic Partnership” was signed between the two and it proved historic moment in relationship between the two because India was put in the same category as the United States, Canada, Russia, Japan, and China. India-EU relations got momentum in next summit which was held at New Delhi where Joint Action Plan was signed to accelerate the relationship. Both reached at the Conesus to address and resolve core issues like extension of economic activities by increasing trade volume and FDI, Human Rights, curbing of terrorist activities, promoting disarmament to maintain world peace, drug trafficking and to resolve the issue of migration. So this summit proved another milestone in relations between India and European Union. Indian can't restrict itself to South Asia in post cold war period because of its growing requirements of fast emerging economy and India's emerging political role in new international political situation. So in this light India has tilted its relations with EU because EU-India relationship has certain commonalities and common objectives. Both share common democratic values both have respect for their cultural sentiments and last but not least both are fastest growing economies of the world and economic cooperation between the two will be beneficiary for the both. Although Britain's decision to come out from EU is jolt in this relationship but despite this jolt India and European Union are emerging as natural partners in this new politico-economic situation of international politics. Both countries respect their sovereignty and have mutual respect for their political systems. Both have beliefs in multilateral systems and abide by the

norms of UN. The emphasis of their relations has a transformation from economic issues to political issues and working for world peace and stability.

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