

**Lecture by**

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**on**

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Let me warmly thank you for your kind invitation to speak to you today on the new political role of the European Union under the Lisbon Treaty, and which new opportunities arise for EU-Indian relations on this basis.

The entry into force of the Lisbon Treaty on First of December 2009 completes the sea change of the end of the cold war and the re-unification of Europe that brought about the reunification of my home country, Germany.

The success of the European Union, i.e. the vision of a European Union in freedom and prosperity played a key role in the historical changes that took place in Europe since the late 80's. The EU is an unprecedented success story: it has built Europe from the ashes of World War II into one of the world's leading economic markets, with a high degree of wealth and stability.

It has helped reconcile national resentment and has lifted barriers between member states. It was in the logic of history that we extended the EU's promise and vision to the citizens of the Eastern European countries. With this moral and political imperative in mind we started the process of enlarging the European Union in the early 90's.

In a parallel development, and while we were all actively planning for the grand design of "Europe of the 21st century", we were very rapidly confronted with an atrocious war on our continent, namely in the Western Balkans. In the process of the implosion of an outdated totalitarian system, Yugoslavia dismembered into new nations which claimed their own sovereignty and democracy.

In the context of the Balkan crisis, it became clear that it was first and foremost Europe's own responsibility to provide stability and peace in its neighbourhood. Notwithstanding the important role of NATO and the US, the international community expected the European Union – and rightly so – to assert itself, and to also take its political destiny into its own hands.

The result of this process – to convert the European Union from a mainly economic community to a political entity – is the Lisbon Treaty. Please forgive me that I will spare you the lengthy details of this process.

The key innovations of the Lisbon treaty relate to more efficiency in decision-making, more transparency and last but not least more democracy. Regarding efficiency, we seek more coherence between policies of the different parts of the European Union, more convergence between member states policies, and more continuity of European policies.

One of the most important changes is the newly designed function of a "High Representative for Foreign and Security Policy". For the purposes of this speech, let me use a more practical term and call the function "European Foreign Minister". As you know, Catherine Ashton has been nominated to this post. It goes with the establishment of a "European External Action Service", a name carefully crafted to avoid admitting that it is essentially a European Foreign Service.

The creation of the “European Foreign Minister” combines the function of a Vice - President of the European Commission for external policies with the former function of Javier Solana. In addition Cathy Ashton assumes the role of permanent Chair in the Foreign Affairs Council, where the EU Member States’s Foreign Ministers meet once per month.

We have also strengthened the “European Council”, i.e. the summit of EU leaders which by now disposes of an elected president, Herman van Rompuy. He chairs the meetings of the Council, represents the Union at summits and provides impulses for the work of the entire Union.

Finally, democracy and transparency have been strengthened. Co-decision by the elected European Parliament is now the rule almost everywhere, there is a possibility to submit a citizens initiative, and: the Treaty contains a detailed Charter on Fundamental Rights. Deliberations of government representatives on legislation are now open to the public. Budget control and accountability have been tightened. And there is almost complete access to relevant documents for the citizens.

So, new and more adequate instruments for the EU are now in place. I will in the following briefly outline how I see the foreign policy role of the EU under the conditions of the Lisbon Treaty.

First: The EU will strive to foster peace, stability and democracy in its neighbourhood. The EU addresses remaining challenges in Eastern Europe through its “Eastern Partnership”, and pursues an active policy towards the Balkans.

But the most spectacular development is taking place in our Southern Neighbourhood. Since the beginning of this year, millions of young and educated women and men have taken to the streets of Tunis, Cairo, Manama, Sana’a and now even Damascus. Few if any of them shouted for Jihad or Islamism. They collectively articulated their desire for freedom of expression, freedom from fear and persecution as well as their legitimate aspiration of a life in dignity and economic stability.

The EU – like others – has probably under-estimated, and maybe even misjudged what was going on in the texture of North African and other Arab societies. We have sometimes closed our eyes for the sake of an artificial form of “regional stability”. The lesson to be learned is that there is no contradiction between democracy and stability. On the contrary, durable stability can only be achieved in a context of democracy and freedom.

From the point of view of the European Union, we must contribute to giving the citizens of these countries a concrete perspective for a better life: by opening our markets to their goods and services, by helping build solid pillars of a lively civil society and by establishing and developing people to people contacts.

Second: the EU will continue to foster solutions for international peace and stability. This entails prevention as well as conflict solution. To this end it will make use of its new diplomatic capacity and the improved crisis management instruments. Our belief is that these efforts require international legitimacy. That is why we will continue to embed our efforts in overall multilateral strategies, ideally to be led by the United Nations.

With its own history and experience in mind, the EU has expertise and is particularly well placed to offer lead contributions in conflict prevention and crisis management. The creation of a truly “European Security and Defense policy” under German Presidency in 1999 has enabled the EU to conduct, until today, a total of around 25 EU crisis management missions in almost all parts of the World, from the Balkans to Africa and from the Caucasus to the Aceh province.

It is therefore logical that advice and active contribution of Europe is solicited in many crisis theatres. This is all the more the case as we see that military power never suffices to bring about peace. It may well be a prerequisite to conflict resolution, but in most international conflicts “soft power” counts equally: police training, creation of an independent judiciary, mechanisms for dialogue and reconciliation, education etc.

Third, the EU will engage at a strategic level in relationships with major powers, like India, in search of a solution to global issues. We are convinced that we need to find new forms of global governance for the numerous and difficult challenges faced by mankind: combatting poverty and feeding an ever-growing world population, fighting diseases, which can be transmitted in a globalised world with the speed of intercontinental airplanes, finding efficient and sustainable ways of energy consumption, fighting global warming, establishing a fair and rules-based international financial system, agreeing on global rules for international trade, controlling and limiting the proliferation of weapons of mass destruction, combatting international terrorism and all forms of organised crime, including cyber-terrorism.

This list is by no means exhaustive. I will not outline at this point the many initiatives of the European Union in each and every field. I would rather like to point to one common denominator: The EU believes that all these challenges require multilateral action to be decided in multilateral fora. “Effective Multilateralism” is, if you want, the EU’s trademark.

The EU is fully committed to maintaining and developing international law and the United Nations system. Action by the international community in response to the global challenges must be underpinned by international legitimacy. This is why we want to maintain the lead role of the UN in the fight against global warming. And that is also why we continue to strengthen the WTO in our effort to bring about fair rules for international trade.

The EU remains committed to maintain its own place in the international economic system as well as in global affairs. We in Europe are under no illusion regarding the challenges we face in a globalised world: Our population is

shrinking, while the population of other regions is growing. Our share in global GDP and in world trade is receding. So is Europe's overall share in world economic growth. There is a widespread feeling in Europe that its resources are not sufficiently translated into political clout.

On the other hand: The EU still holds the largest individual share in world GDP, and it is by far the biggest provider of development cooperation. It is also true that Europe remains a vital point of reference in global affairs: as a region of prosperity, dynamism and cultural activity, and as a hub for innovation in a globalised world.

In particular, we feel challenged to maintain Europe's leading world-wide role in science and technology. Europe will only be able to keep its place as an active contributor to world affairs, and its high standard and quality of life, if its researchers and engineers continue to have the means to come up with new ideas for technological progress. It is one of the key elements of the EU's "Europe 2020" strategy to create the necessary conditions.

In particular, our scientists will address key topics like renewable energy, energy efficiency and intelligent transport solutions. We need progress on these issues not only in Europe, but we also want to export products based on our researchers' creativity. In this process, we are also ready to share technologies with our international partners. The single market, and our common currency, the Euro as well as the elimination of all kinds of barriers have unfolded remarkable dynamism and, contrary to many predictions, our industry, services and agriculture have survived well, even in the last economic crisis.

But above all it is Europe's values that count and that can contribute to a better, more prosperous, fairer and more secure world. Democracy, openness, pluralism, rule of law are and will remain the trademarks of the European Union. We in Europe remain convinced that a fair global order can only be achieved on the foundation of these values.

And let us not forget: the kind of peaceful coexistence and integration of nations with diverse traditions, histories, languages and cultures is and will remain an attractive model for other regions. It is precisely Europe's diversity that has spurred its dynamism.

Now I would like to turn to one of the big challenges the EU faces: how to foster its relations with its strategic partners and build partnerships which not only work to the satisfaction of both partners, but also contribute to peaceful and economically successful international development.

The EU needs better governance vis-à-vis strategic partners, i.e. better coherence and clearer prioritization. This includes more output driven summits, better integration of different EU meeting formats and of external and internal policies. We should make full use of the Lisbon tools, in particular the European Foreign Minister and the European Foreign Service.

I consider it a challenge for the EU that these ambitious goals will start to show concrete results also with one of the EU's key strategic partners – India. The next EU-India summit will be a test for this.

Besides governance issues the EU has also started to review its substantive policy vis-a-vis each strategic partner with a view to clearer prioritization and better orientation towards results. To be quite frank: We feel that this process could be sped up vis- a-vis India. Germany, including at the highest level, has consistently pushed within the EU for a development of a focussed India strategy and for attention to India on the same footing as with other strategic partners. We are sure that Baroness Ashton's upcoming second visit to India will give these efforts a push.

Let me now turn to the EU-Indian relations in greater detail and recall, to start with, that India was one of the first countries to establish diplomatic relations with the then European Economic Community (EEC) in the early 1960ies.

About three decades later, the Member States ratified the Maastricht Treaty of 1992 which transformed the EEC to the European Union and established the new tool of "Common Foreign and Security Policy". As a consequence the relationship between India and the EU was intensified and extended beyond trade and economic cooperation through the Cooperation Agreement of 1994.

The first India-EU summit 2000 in Lisbon set the markstone for this evolution. It was the 5th summit in 2004 at The Hague which endorsed the upgrade of the Indian-EU-relationship to a "Strategic Partnership".

Until today eleven summits have been celebrated, the latest in December 2010 in Brussels. The main pillar of the Strategic Partnership still is trade and economic cooperation. We as Europeans would appreciate India to engage in other areas with the EU, beyond the economic realm. While there is quite a number of EU-India dialogue fora on various levels, we think that considerably more progress in substance could be achieved.

Trying to identify possible obstacles to an intensification of EU-Indian cooperation there are two patterns for an explanation:

First possible explanation: India considers the EU still an experiment and prefers cooperation on a traditional bilateral level. Should that be the case, India is about to miss an opportunity. Why?

Under the new Lisbon structure already discussed, EU coordination of Common Foreign and Security Policy Issues is steadily gaining importance. The basis for decisions of the EU's Asia Working Group are drafts prepared by the External Action Service in New Delhi and Brussels in consultation with the Member States. From the Indian perspective, therefore Baroness Ashton and the EU Ambassador in New Delhi – I am glad that she is among the audience – would be privileged interlocutors. When you talk to them and convince them of your views, you have made a significant step towards getting an agreement with 27 countries altogether!

Second possible explanation: India's strategic orientation is focussed on the Permanent Members of the UN Security Council in the first place. The EU as a political entity has only a kind of privileged observer status in the UN and rather limited global influence, as experienced in Copenhagen in December 2009 in the final stage of the climate negotiations.

Objection, Your Honour – allow me to disagree profoundly and cordially. Firstly, as regards the Security Council, the EU does include two P 5 – members, France and Great Britain. Currently, two more EU Member States – Germany and Portugal – are represented in that body.

Secondly, as already mentioned, through its Common Security and Defence Policy, the EU has at its disposal a unique combination of instruments of hard security and soft security. For that reason, the EU is able to contribute frequently to operations under UN auspices. Just to name two current examples in India's neighbourhood: the EU provides security through its anti-piracy mission Atalanta, and contributes to police training in Afghanistan through its "EUPOL" mission.

Thirdly, the reason for the EU debacle in Copenhagen was an unfortunate negotiation strategy of the EU – and admittedly differences of views on some issues, which in the end reduced the EU's weight. However, due to Europe's technological know-how as well as for its economic clout, a solution to the climate problem without an active European contribution remains hard to imagine.

### **Ladies and gentlemen,**

A "Strategic Partnership" is both an offer and an obligation for both sides. What is on the table? The menu is well-known – it is the Joint Action Plan for the India- EU Strategic Partnership of 2005.

What are the contents? While the Joint Action Plan is a comprehensive document, I would like to highlight just a few proposals which I deem important and attractive as fields of stronger cooperation.  
Peacekeeping, Peacebuilding and Post-Conflict-Assistance:

Since setting up the Joint Action Plan in 2005 the EU offers a considerable package of options for collaboration in this field: Consultations before UN debates on peace-keeping and peace-building; establishing a dialogue at official level to exchange perspectives on conceptual and operational aspects; training for military and civilian components of peacekeeping missions; exchange of trainees; joint support of UN peacekeeping and –building efforts; post-conflict and confidence building projects in other parts of the world. Vis-à-vis the global engagement in UN peacekeeping and crisis prevention missions India could profit considerably from such a cooperation.

Fight against Terrorism and Organized Crime:

There is room for intensified relations in this field as well. I am nevertheless glad to note that since the first visit of Baroness Ashton and the EU-Counter-Terrorism Coordinator Gilles De Kerchove in New Delhi 22 June 2010, some movement is visible. The EU-India Summit in December 2010 adopted a Joint Declaration on International Terrorism. Cooperation on counter-terrorism will also be on the agenda of the forthcoming visit of Baroness Ashton to New Delhi. The recent events in this region highlight the potential of an intensified cooperation between India and the EU.

#### Migration and Consular Issues:

We conclude, inter alia, from the negotiations on the India-EU Free Trade Agreement that this subject is of high interest for India. Nevertheless, we feel that India's response to an exchange of views in the competent EU-India Joint Working Group has been rather limited. Perhaps this is due to a misunderstanding. Although the legislative and executive competence concerning visa issues lies on national level, changes of the overall policy vis-à-vis Third States such as India are subject to agreement between all 23

Schengen Member States. Therefore, an intensive dialogue with the competent bodies of the EU-Institutions would have a considerable advantage for India. A further area with a set of options for cooperation are Human Rights: Consultations on human rights and democracy issues, looking for opportunities for co-sponsoring resolutions on thematic issues for example in the UN Human Rights Council or the UN General Assembly's Third Committee.

Bilateral EU-India consultations are taking place regularly. During recent years the discussions in this forum have proved to be open and fruitful for both sides.

In the Indian media, EU interest in human rights issues in India is frequently criticized as neo-colonial interference in domestic affairs. For us such a defensive attitude towards Human Rights does not match India's pride of its democracy, rule of law and free press. In the recent past, India has shown to be more sensitive to the human rights-situation in other countries – also neighbours – as well. So this dialogue opens up new possible avenues of cooperation. Now I would like to turn to the negotiations of the Free Trade Agreement (FTA) between the EU and India. I am not going to dwell on details. Both sides are aiming at an ambitious agreement taking into account the expected dynamic development of trade in goods and services and investments within the next 20 years. There are still quite a number of open issues. I assume it is no secret that for example Germany is among the EU Member States which urge for broad liberalisation, especially in the automobile sector, machine building industry and chemical industry. India is strongly interested in access to the Common Market for her nationals to provide services. At present the negotiations are entering into a crucial phase, where both the EU and Indian sides need to show readiness for compromise in order to come to an agreement by the end of 2011. This FTA, once in force, will be a booster for the relations between India and the EU.

Let me finally refer to the reason of my presence in New Delhi. Today we celebrated the first German-Indian Governmental Consultations under the chairmanship of Prime Minister Singh and Federal Chancellor Merkel, accompanied by seven Ministers and Vice-Ministers on both sides. This event is a milestone in our bilateral Strategic Partnership, both in form and substance. It coincides with the 60th anniversary of establishing diplomatic relations between our two countries.

In spite of this key event for the relations between our two countries, let me stress an important argument: We, the German Government, do not understand our Strategic Partnership with India to compete with the EU's Strategic Partnership with your country. Instead, the two strategic partnerships complement each other. While we cherish the state of our bilateral relations, we are looking forward to the ever deepening of the Strategic Partnership of India and the EU.

Thank you for your attention.

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