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Paper

## **Rising India - Working with Europe to Shape Globalization**

By

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India is making a successful transition from an excessively inward-oriented economy to a more globally integrated economy. As a result of new policies, it has become one of the fastest growing economies of the world. Despite some serious challenges like energy security, poverty, infrastructure, regional disparities and internal security, there are strong indications that rapid growth will continue- and even accelerate. This year India is into the fourth year of eight per cent growth. Now the government is aiming at ten per cent annual growth in the next few years. Rising India's global vision of democratic, multi-cultural and multi-polar world coincides with Europe. Similarly, when the new economic and security architecture is evolving in Asia, Europe's engagement with it will be incomplete without partnering with India. Realizing the importance, both have established the institution of annual summit meetings (supplemented by business summits) which has resulted into India-EU *Strategic Partnership*.

So far trade and economic ties have formed the core of India-Europe relations. In the last two decades, the process of European economic integration and the process economic liberalisation in India have created tremendous opportunities. Today with more than US\$ 45 billion bilateral trade, EU is India's largest trading partner. Already with \$7.5 billion FDI, EU accounts for one-fourth of total FDI since 1991. FDI from EU is higher than investments from the USA and Japan put together. Thirty five per cent of un-incorporated foreign companies in India are from eight major European countries. In addition, EU is also one of the major sources of technology transfer. Out of total 26,466 technical and financial collaborations approved between 1991 and 2004, about 10,000 are from the EU. As Indian corporate sector is becoming truly global, it is also on a buying spree. The buyers are not limited to a few sectors but they are active in wide spectrum of industries – banking, telecom, energy, pharmaceuticals metals, automobiles and IT. Europe is becoming an important destination for Indian companies due to large investments in UK, Belgium and Germany. Because of deadlocks at WTO negotiations, and to deepen their economic partnership, India and EU have now agreed to move towards negotiations for a broad based bilateral trade and investment agreement.

Despite declarations, European policy makers need to be sensitized about growing Indian opportunities. The huge task is to change popular perceptions in Europe of an underdeveloped India that is stealing European jobs with its outsourcing industry. It is becoming clear that integration of both the economies would improve the competitiveness of India and EU in a globalised economy.

## GULSHAN SACHDEVA

### CV

Dr Gulshan Sachdeva is Director, Europe Area Studies Programme and Associate Professor at the Centre for European Studies, School of International Studies, Jawaharlal Nehru University (JNU) New Delhi. His expertise include European economic integration, India-Europe economic relations, Russia and Central Asia, regional economic cooperation and Indian Northeast.

Earlier he was Associate Professor at the erstwhile Centre for Russian, Central Asian & East European Studies at JNU. Before joining JNU, he worked as Assistant Research Professor at the Centre for Policy Research New Delhi, Lecturer in Economics at the University of Delhi, and Research Fellow at the Institute for World Economics Budapest and KOPINT DATORG, Budapest. He was also consultant with Institute for Conflict Management Delhi.

Dr Sachdeva is author of *The Economy of North-East: Policy, Present Conditions and Future Possibilities* (2000) and in the process of finishing another manuscript *Globalising Northeast*. He has written many project reports for industry and Government Ministries. His research has appeared in scholarly journals in Australia, Germany, Hungary, India, Kazakhstan, Russia, Sweden, UK and USA. He has also written 25 chapters in edited books and presented over 30 of his papers at international conferences and seminars throughout the world. He has been published in major Indian newspapers like *The Times of India*, *The Hindustan Times*, *The Economic Times* and *Financial Express*. He is member of the editorial board of *International Studies* (Sage India) and member of the governing board for the *India-Central Asia Foundation*.

He holds Ph.D in Economic Science from the Hungarian Academy of Sciences, Budapest, and M.Phil from School of International Studies, JNU. He did his M.A. in Economics from the Punjabi University Patiala.

Detailed CV can be found at <http://www.jnu.ac.in/faculty/gsachdeva/>

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