

**European Economic Community:  
Reactions Abroad and in India**

**Review of Literature**

**PART II : REACTIONS IN INDIA : SOME QUESTIONS**

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**Indian Institute of Management  
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# European Economic Community: Reactions Abroad and in India

## Review of Literature

### PART II : REACTIONS IN INDIA : SOME QUESTIONS

#### ( I )

In our earlier paper<sup>1</sup> on EEC, we have analysed four basic motives underlying formation of EEC as reflected in the writings of Jean Monnet<sup>2</sup> who is often addressed as 'the Father of the Common Market'. There we have discussed how gigantic changes are taking place in Europe. Following Common Market strategy EEC is relentlessly moving towards its ultimate political objective, namely, a United States of Europe. Process of integrating 'Communities of European Origin' has already reached an advanced stage. Recent events in Eastern Europe and Russia are not spontaneous but result of the long-term strategy for uniting *people of European Origin*. As Common Market was Monnet's strategy towards unification of Europe, so also Gorbachov's *perestroika* and *glasnost* are strategies to provide 'freedom' to East European communities and European Russia to ultimately become members of a United States of Europe. Both Monnet's and Gorbachov's strategies have been and are being executed with great finesse, shrewdness and top level diplomacy to develop a sense of complacency among the non-European communities. Initially, the process has been gradual, almost imperceptible.<sup>3</sup> Now it is fast and perceptible. In fact, like a snowball it is now moving with an exponential rate with political unification being pushed hard by the French and West German leaders with a sense of urgency. Initially, Community leaders talked about *European Economic Community (EEC)* and *Common Market*. Since 1985 they talked more about *European Community (EC)* and defined the

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goal EC-1992. By the end of 1990 one can expect this to change to European Union (EU)-1992, or United States of Europe (USE)-1992, as could be seen from the recent events. In the 12-member summit meeting of April 28, 1990 the European Community leaders adopted a plan to achieve political union by January 1993. We quote from the newspaper report on the subject:<sup>4</sup>

"I think the community today firmly and decisively and categorically committed itself to political union," declared Irish Prime Minister, Charles Haughey, host of the 12-nation summit. "I think the whole process is now inevitable."

West German Chancellor Helmut Kohl, backed by French President Francois Mitterrand, pressed for a speedy merger, arguing that it went hand in hand with rapidly approaching German unification.

"Francois Mitterrand and I, and others want to see the European community strengthened," Mr. Kohl told a news conference "That, in plain words, means abandoning certain national competencies."

But British Prime Minister Margaret Thatcher predicted the process of European union would founder as soon as the member states faced the prospect of having to cede national sovereignty and accept collective decision-making.

"There is quite a lot of rhetoric and far too little nitty-gritty," Mrs. Thatcher told reporters at the end of the one-day summit, "Clearly they do not quite know what political union means. It astounds me."

The leaders agreed to instruct their foreign ministers to draw up a draft for political union by the next summit in June, with the aim of calling an inter-governmental conference on the subject in December.

It will parallel a conference already scheduled at which governments are to discuss a single currency and central banking system for Europe. A summit declaration said both conferences should finish their work before the end of 1992."

Britain's reaction was predictable. It has happened very often in the past, e.g. at the time of U.K. joining EC in 1973, and at the time of introduction of Single European Act in 1985. Britain first opposed such plans and later accepted these. Such reactions on the part of Britain serve the purpose of creating confusion and complacency in the minds of non-European countries. There have been (and there will be in future) many twists and turns like meanderings of a river which often confused many about the ultimate direction and destination of the movement. Real and pretended differences among the EEC members were always there, but short-lived, and did not in any way affect EEC's movement towards its ultimate objective of European political union. People of European origin are fast coming together. Where does this con-

cept of *People of European Origin* lead to should be a concern to all non-European communities.

From the writings of Monnet, Hallstein, Krause and many others we know that the Common Market is only a strategy towards achievement of the political objective, namely, political union of Europe and People of European Origin. This objective is not hidden but very openly stated. Monnet himself started his campaign in 1955 with an announcement that "the United States of Europe have already begun". We have used Monnet as a symbol of post-war European thinking. But he was not alone. His forty-odd member 'Action Committee for United States of Europe' was composed of prominent representatives of the political parties and trade union organisations of France, West Germany, Italy and the Benelux countries. The Preamble to the *Treaty Establishing the European Economic Community* clearly indicated that the framers of the Common Market did not confine their thinking to economics alone. Their primary interest was to "establish the foundation of an ever closer union among European Peoples". Professor Walter Hallstein, who was West German Chancellor Adenauer's most trusted associate and state-secretary in the Foreign Ministry before becoming the President of the Executive Commission of the European Common Market, often emphasised that Common Market was not in business but in politics. In 1964 he stated:

"First, what is the Community, or rather, what is it becoming? For it is a process, not a product. Indeed, it has been well said that the EEC is a kind of peaceful three-stage rocket. The first stage is that of the customs union; the second, economic union; and the third, political union. Today, the community is nearly halfway toward a full customs union; it has embarked, decisively, on economic union, and it is already clear how deeply the implications of political union are embedded in the other two."<sup>5</sup>

At another place, in 1972, he stated:

"The so-called economic integration of Europe is essentially a political phenomenon. The European Economic Community, together with the European Coal and Steel Community and the European Atomic Energy Community, is a European political union in the economic and social field."<sup>6</sup>

If EEC is a three-stage rocket, it is obviously not for firework display after a grand festival. At the top it is carrying a warhead linked with political union of Europe. Are the non-Europeans aware of this Warhead, or are they passively watching and enjoying the first stage displays? If the non-Europeans have any strategies to face EEC, then do these take into account the basic political motives underlying formation of EEC, or concentrate merely on the economic issues? *Harvard Business Review* in its recent issue (May-June 1989) asked the question "When are the critical strategic plays likely to occur?"<sup>7</sup> Have the non-European communities taken any advanced strategic actions to stop European mass becoming 'critical'?

The analysis of the four basic motives underlying formation of EEC indicates that the driving force behind the 'Unity of Europe and of People of European Origin' is *genetic- ethnic-racial*. It indicates that Europe's march from nationalism to supra-nationalism leads to supra-Euracialism. This from historical perspective means leading to *War of Races*. In this sense the analysis validates the early warning of influential American columnist James Reston in 1961: "The great conflict at the end of the century will not be ideological but racial."<sup>8</sup> This was based on his interviews of influential French EEC officials. What will be the end result of such a conflict is a question mark.

EEC-1992 is of great symbolic significance for non-European communities. It is exactly 500 years after Columbus reached North America in 1492; the beginning of ruthless exploitation of non-European communities for five centuries. EEC-1992 is a landmark, a symbol of consolidation of European community's power. It can also be a prelude to *War of Races*.

The scenario that emerges from the analysis of the four motives is rather disturbing. Against the United Europe and 'People of European Origin' where do non-European countries and communities stand? Have they taken the rapidly evolving scene in Europe for the last forty years at its face value or have they realised in time the long-term implications of these events and taken timely

steps to safeguard their future? Have they asked themselves the question, whether by cooperating with EEC with an eye on short-term commercial gains, are they further strengthening Europe's drive towards its politico-racial objectives? Will cooperation delay or hasten the inevitable? Are there any options for the non-European communities? Do they have sufficient capabilities to defend themselves, and more importantly, can they do so alone without common, unified strategies and institutions to execute these? EEC has its Euratom, Eurospace, CAP, Euro-cotton, and many such operating institutions. Non-European countries and communities are still fragmented, often many of them fighting with each other, completely oblivious of the lurking common threat to their survival. In our earlier paper we have discussed issues related to such a threat.

( II )

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Based on the analysis of the four basic motives underlying formation of EEC we have raised a number of questions and issues. There are still many more questions for which answers are needed. For instance, to assess what is likely to happen we need a lot more information on not just the motives of a few politicians who got together to create EEC but of many more opinion leaders from different walks of life. The question is: Would there be consensus within a democratic EEC to dominate weaker Third World countries politically and economically, or to extend a helping hand in its own enlightened self interest? We also need much more information on the economic imperatives for Europe--how far and in respect of what goods is it dependent on what other countries?<sup>9</sup>

The second set of questions will be: Whether after the Second World War racialism has been a significant phenomenon in most European countries? Is ethnocentrism in constituent countries of EEC on the wane? Is Europe becoming more cosmopolitan, or less? Will Europe play more of a constructive role in the development of global institutions and ultimately of some sort of world

government than the role of a bully? Is racialism the basic, primary force underlying European unity, or is it a vehicle, a tool used by some other forces, such as capitalist and neo-colonialist forces? Or, is the primary force underlying European unity a joint force of capitalism, racialism, neo-colonialism and Roman Catholicism?

The third set of questions will be about social and cultural integration of European Community. EEC will achieve economic integration to a great extent by 1992, and even political integration by persuasion or direct and/or indirect use of force as was done in Rumania in December 1989.<sup>10</sup> Little is known about what is being done for social and cultural integration of European nation communities. This is important because *without* social and cultural integration, gains from economic and political integration processes could not be retained for long. In social and cultural spheres there are many dark areas. For example, how does one socially and culturally define European Community? Is it possible for Europe to develop a sense of identity, common destiny, cohesion and collective pride without taking recourse to racism? In other words, will Europe's march from nationalism to supra-nationalism be possible *without* the support of racialism? If this is possible what would be the nature of social forces that would support integration? All such questions have to be asked and answered in the context of non-European communities.

The fourth set of questions will be: Will the concept of supra-nationalism be limited to Europe and Europeans alone or can it encompass the non-European communities and countries? Is supra-nationalism limited by the current geographical definition of Europe, or can it go beyond? The concept of Atlantic Community brings Europe and North America (USA and Canada) together, i.e. communities of European origin. Can supra-nationalism integrate community of European origin and non-European communities under one economic and political umbrella, without imposition of imperialism? Is European supra-nationalism a new challenge to the idea of world community and society, or a step towards it? Is the concept of Atlantic Community integrating present EC and future United States of Europe with the United States of America a major

threat to the Third World countries, especially non-European communities? The question becomes of increasing importance with increasingly anti- Third World stand taken by USA as reflected in President George Bush's recent report to Congress on "National Security Strategy" of the United States. We quote from the newspaper report on the subject :

"He undermined the continued need for vigilance against the Soviet Union but put new emphasis on the importance of having adequate and appropriate U.S. forces to deal with third world conflicts or threats which endanger American security.

He indicated that the U.S. would pay special attention to pre-positioning equipment and supplies in countries which shared the American strategic perceptions in the third world.

He also emphasised the need to have Star Wars weapons to meet the threat of third world missiles.

In his look at the scenario 'beyond containment' of the Soviet Union, Bush said Eastern Europe was "entitled to become part of the worldwide commonwealth of free nations as, one by one, they reclaim the European cultural and political tradition that is their heritage."

"Soviet policies in the region (West Asia and South Asia) show signs of moderating, but remain contradictory. The supply of advanced arms to Libya and Syria continues (as does the cultivation of Iran), though Soviet diplomacy has moved in other respects in more constructive directions... threats to our interests - including the security of Israel and moderate Arab States as well as the free flow of oil... come from a variety of sources."

"In the 1980s, our military engagements in Lebanon in 1983-84, Libya in 1986, and the Persian Gulf in 1987-88 - were in response to threats to U.S. interests that could not be laid to the Kremlin's door. The necessity to defend our interest will continue."

"Therefore, we will maintain a naval presence in the eastern Mediterranean Sea, the Persian Gulf and the Indian Ocean. We will conduct periodic exercises and pursue improved host-nation support and prepositioning of equipment throughout the region."

Meanwhile, Mr. Bush and Mikhail Gorbachov's leadership had reduced the chances of armed conflict with the Soviet Union and that the third world was the likeliest spot for such a conflict."<sup>11</sup>

The fifth set of questions will be about the effect of EEC on Non-Alligned Movement (NAM) and other organisations/associations of developing countries. Currently a number of countries of 'European origin' are members of these organisations and associations. Are these countries being increasingly influenced by and attracted towards EEC's basic philosophy of establishing '*an ever closer union among European Peoples*'? Are these countries of 'European origin' getting any special economic and political support



from EEC, not provided to non-European communities? With Asiatic USSR permitted or forced to opt for independence, with which group will these be alligned? Will these group with China to form neo-mongol empire or join the current NAM. EEC has already developed its close economic relations with a number of African, Caribbean and the Pacific countries (The ACP) under Lome and subsequent Conventions and given them the status of Associate Members. Was this EEC's strategy to dilute the influence of NAM? Did it work? Whether EEC's strategies and programmes will increasingly divide, weaken and even break the NAM and other organisations/ associations of Third World countries? Where do leading countries like India in the NAM and other associations of third world countries fit in the strategic calculations of EEC? Are these weaned away by EEC through immediate or promised favours, or are these increasingly isolated and/or 'punished' by EEC? In short, how EEC is playing the carrot and stick game to divide and break third world countries' efforts to raise a collective voice against the unjust International Economic Order?

The sixth set of questions will be in the field of communication: What communication strategies has EEC evolved to sell the idea to different strata of population in member countries, in other European countries and countries of European origin and in non-European countries? What is the extent of propoganda and of truth in the information provided by EEC? What is the attitude and opinion of non-European communities and countries towards EEC and happenings in Europe?

The seventh set of questions will be on the future nature of European society. Are the economic forces sufficiently powerful to make European nations forget their history, tradition and culture of which each of them is so proud of? Will after integration individual European nations be able to retain their dynamism borne out of intense nationalism till now? Is not there a danger that in the absence of intense competition among themselves, they may lose their dynamism, spirit of adventure and exploration? Will the sacrifice of history, tradition, culture, values and dynamism be socially worth a United Europe? History shows that societies whose

culture have been severely damaged become lethargic and placid. Will the United European society of future be like this? What will be the effect of "mass society" on cultural heritage?

On the other hand, is not there a danger that with deliberately implanted and inculcated ideas about the real or imaginary threat from non-European communities, the European community as a whole may become more adventurous, more aggressive, more ruthless with a common objective of dominating or even destroying the non-European communities? Which way are the social processes moving? How long and how far the saner elements in European community will be able to contain the racists elements in their society? Will it lead to a civil war as happened in the United States of America? Will it be able to produce a Lincoln; not **after** people suffered but **before**, to prevent sufferings? With greater scientific achievements will it become more materialistic, more self-centred? Europe never gave birth to any great religion. Whatever little ethical values and humanism it has inculcated from the Christian gospel, will these survive in future European society? If not, what will be the future European society like, and what will be its implications for the rest of the humanity? Have scholars from the West and non-European countries looked into these questions?

The eighth set of questions is rather in different vein. It pertains to trade and commercial relations of non-European countries with EEC seen from non-European perspective. Over the years the thinking has been structured and governed, and hence blocked, by one single idea, namely, *we have to export*. Suppose the non-European communities decide *not to export any primary commodity* in raw or semi-finished form to EEC. What will happen? Have scholars and policy makers in non-European countries systematically collected data and scientifically analysed all possible implications of such an alternative with mathematical vigour, and then evolved policies and strategies from time to time to suit their needs? It is not the generalised statements but hard core data and measurable estimates based on specific assumptions and sensitivity analysis that are needed to help take decisions. For example, if a country like India decides to reduce or completely stop export of primary commodity

such as castor seed, how will the internal as well as external markets respond? What will be the likely positive, negative and systemic implications? Will internal prices go down, and to what extent? Who will then suffer and to what extent--the primary producers, the traders, the trading companies? How much remedial measures would cost? If internal prices go down, how will these affect the markets for castor seed based products? Will consumer prices go down? Will it lead to expansion/diversification giving better value addition? Similarly, to what extent external prices are likely to be affected? To what extent other suppliers will be able to satisfy demand immediately, and at what price, and over a period of time? There are many such questions that need to be systematically analysed through mathematical modelling. Are there such studies in response to operations of EEC and other rich countries by scholars from non-European countries, especially by Indian scholars?

There are other related issues and questions. We all know that primary commodity markets are generally volatile since these are sensitive to small drop in supply, often related to production. That is why purchasers of these commodities try to reduce their risks and uncertainties by encouraging production in various countries simultaneously, and purchasing from various production centres. That is what EEC has been doing under Lome Conventions, and wittingly or unwittingly the World Bank. The strategy is to reduce dependence on one or only a small number of countries. In other words, spread availability to large number of sources. On the one hand, the purchasers propound free market economy, and encourage cut-throat competition among the suppliers, and on the other hand discourage monopoly as well as any possible moves of suppliers towards formation of cartels. However, they themselves form cartels of their own or devise other means to reduce the prices of primary commodities to the bone. For a given local market while demand is highly elastic, supply is highly inelastic. This is a unique feature of primary commodity market under localised condition. Even a slight effort to raise price by the sellers in a locality is counteracted by the sharp buyer by reducing the purchases (demand) or refusing to lift any quantity creating zero demand situation. On the other hand, a slight fall in price increases the demand in a locality

because the buyer shifts to this market from other markets. The production determining supply is inelastic since the commodity that is normally produced has to be produced every season for survival (and in case of plantation crops will be produced), and it can not normally be increased or decreased during a season once the crop is raised. This relationship operates when the buyer has highly efficient market intelligence and procurement systems, and the seller has no market information and marketing capabilities. The EEC's market intelligence and procurement systems are of the highest order and highly experienced from colonial days. The ultimate result is poverty of primary producers in non-European countries. This is what we saw happening in African countries even after the Lome Conventions. And same is true of Asian countries.

Related to trade are the issues pertaining to foreign aid and exchange rates. For the last three decades economic development through foreign aid and foreign investment has dominated the international economic scenario. This was under the influence of western economic theorists who propounded that aid was advantageous to the aid recipients, and highlighted its 'sacrifice' aspect on the part of donors. Are there Indian studies on the positive, negative and systemic implications of foreign aid? Who gain most, the recipients or the donors? Similar are the questions relating to exchange rate. What are the positive, negative and systemic implications for India of following or not following the existing systems for determining the exchange rates evolved by the western countries? What are the implications of different rates of exchange at different points of time, at different levels of development?

The question is, have such issues attracted attention of Indian scholars, especially agricultural economists, econometricians and specialists in international trade. Are there concrete suggestions based on rigorous analysis of data? Have the organisations for regional cooperation and South-South collaboration evolved institutional structures to serve the non-European countries effectively and efficiently on trade and commercial operations? This will obviously require monitoring and analysis of world-wide market information *on continuous basis*, and fast sharing of information and advice for

decisions on operations. In other words, effective and efficient market intelligence systems and operation systems to manage in an integrated manner the commercial operations of the non-European countries vis-a-vis EEC. To what extent these have been done and how effective these are? Do the negotiations at international forum based on concrete specific demands following such indepth analysis of market information? Or, are the diplomats left to present the case of non-European communities in the most generalised and vague terms at such forums?

There is one more aspect of aid which needs consideration. One often comes across such statements as "Least developed countries, especially in Africa and parts of Asia, badly need *compassion* and aid". This, from the Liberals from the rich countries including Japan. Compassion is a pure, tender human feeling leading to brotherhood and gratitude relationship. It is not demanded but given without any expectations in return. It is a virtue so long as it is not polluted by some ulterior motive. Once polluted its socio-psychological implications for both the parties, especially for the recipient, are most damaging. Are there studies analysing this 'Compassion and aid' phenomenon? Have scholars, especially social-psychologist from non-European countries analysed various implications of perpetual talk and actions about 'Compassion and aid' on the personality of members of their society?

There are further related issues on the topic of trade. The choice that 'we have to export' has a logic behind it. It goes as follows: We have to export to earn foreign exchange to pay for technologies, plants and machineries, besides for our other requirements such as energy, food, and military hardwares, and to pay our debts. And we have to continuously upgrade the technologies to produce products of high standards (which themselves are continuously changing) for exports (besides for local consumption) often to the very countries from where we are importing technologies, or the markets they suggest, to earn foreign exchange to pay for the import of technology. And to start the cycle and keep it rolling we have to export our agricultural commodities, and/or look for aid and borrow money from the suppliers of technologies and

plants who are also major buyers of our commodities. This is a vicious circle in which non-European communities got trapped by their own desires and decisions. The question is what alternatives have been generated so far and what are the positive, negative and systemic implications of each of these in tangible and intangible terms. For example, suppose we decide *not to import latest technologies* from EC. Not that we do not want new technologies, but we just decide not to *import* these. Such an alternative has nothing to do with self negation philosophy, or going 'back to bullock-cart age'. It, however, definitely draws strength from Gandhi's well-tested and effective non-cooperation and *Swadeshi* (indigenous) movements, which were his economic strategies to achieve political objective of freedom from the British rule.<sup>12</sup> What will happen? What will be the positive, negative and systemic implications of such a decision? Will it generate greater pressure on our scientific and technological research institutes and industries to do something together to be self-reliant, if not self-sufficient? How long will they take to update the existing technologies and develop new ones, and at what cost? Who will suffer in the meanwhile and to what extent? Will such decision lead to greater collaboration in the field of science and technology among the non-European communities? What will be the implications of such decisions by one or many non-European countries on EEC-the major suppliers of technologies to non-European countries? Does the country really need foreign aid? Has it been effective in achieving its objective? There are many such questions dealing with trade, commerce, aid and technology transfer.

The strategies of "no export of primary commodities" and "no import of technologies, plants and machinery" by non-European communities, are basically derived from Gandhian 'non-cooperation' strategy. The question is, what will be the implications of "*non-cooperation with EEC*", i.e., 'neither trade, nor aid' strategy for EEC and for non-European countries? What would be the reaction of EEC and other industrially advanced countries to such actions.

More important will be the reactions of our own merchants, traders, importers and exporters, and industrialists--of individuals

and their chambers and associations, and as a class. They are the backbone of economy and society. Experience of trading in limited traditional commodities has often made many of them look at issues from short-term perspective. Concern for immediate and short-term financial gains is likely to determine their reactions to even fundamental issues discussed above. In spite of accepted policy of self-reliance, major industries continue to depend on imported technologies, plants and machinery, often turn-key projects and screw-driver plants. The survival and future prospects of such industries and industrialists depend on such imports. What would be their reactions to strategies introducing fundamental changes in the society? Self-reliance is a product of intense nationalism--even amounting to fanatic adherence to nationalist ideology. It is from such fanatic adherence to an object or ideology emerge a leader like Monnet--the arch European, the visionary, the practical. The question is: what has been, and is, the reaction of the merchants and industrialists in India to EEC? To what extent they have been influenced by the 'Pep Rallies', workshops, seminars, organised by EEC officials in collaboration with local influentials including some retired diplomats? Can this class produce a *Monnet*, and an '*Action Committee*', and provide its managerial expertise in development of institutions to achieve self-reliance?

Equally important will be the reactions of other influential class in the society, namely, the bureaucrats, diplomats and academicians, especially the elite among these operating at international level. They exercise considerable influence on the policy formulation pertaining to foreign affairs and international trade. How did they react to EEC all these years, and what would be their reactions to above discussed 'neither trade nor aid' strategies? With their understanding of international scene they are in a much better position to analyse the positive, negative and systematic implications of such strategies. Have their views on *alternate* strategies sought and analysed by Indian scholars? On conceptual level the 'non-cooperation with EEC' strategy leads to the question: whether intensive supra-nationalism encompassing only the non-European communities and fanatic adherence to the ideology of self-reliance, the

only answer to European supra-nationalism and Euracial fundamentalism? Are such issues reflected in the Indian writings ?

There is also an alternate strategy which we have to consider. For among us there will be a few who will question the basic argument that the EC would pose a grave economic danger to the weaker nations. They will ask : What about cooperation with EEC? What will be the implications of this strategy? The questions will be: Whether by cooperating with EEC with an eye on short-term commercial gains will we further strengthen EEC's drive towards its politico-racial objective? How to balance and dovetail short-term and long-term objectives and strategies? Will cooperation delay or hasten the inevitable, if it is inevitable? Cooperation or non-cooperation is also a matter of choice of area and degrees. In which fields do we cooperate and where we do not, and to what degree? Cooperation can be seen as a peaceful strategy for survival so also the concept of interdependence. How does one negotiate agreements without giving in? Following Roger Fisher and William Ury methods we can ask: since the other side is powerful, what will be our 'Best Alternative To a Negotiated Agreement?' If the other side won't play the game, how to use 'Negotiation Jujitsu'? If the other side uses dirty tricks, how should we go about 'Taming the Hard Bargainer'?<sup>13</sup> Cooperation can also be seen as a Machiavellian strategy, or our own indigenous *Shukra Niti*. Can *Fortress Europe* be entered, like *Kacch* through cooperation strategy? Should cooperation be of such high order that interests of both parties get so entangled and intertwined that separating them afterwards would harm both? EEC is using this strategy to channelise German nationalism into European nationalism. Perhaps this is the strategy adopted by Japan Incorporated. Even Russian cooperation with EC can be explained thus, if one does not like to agree with the racial compulsion theory. Have we given some thought to these dimensions of cooperation?

Related to international trade matter is the question of reliability of data on the basis of which policy decisions as well as operational decisions are taken. International trade is a hard, cut-throat business. It depends on secrecy about information, and up to



date information on many factors, economic and non-economic, affecting the trade policies and practices. Trade policies of the developing countries are primarily based on the statistics provided by member countries of EEC and EEC itself and which are reproduced by other international agencies such as UN and World Bank. How reliable are these statistics and the projected estimates provided by EEC on demand and supply of various commodities and products? Projections could be manipulated to misguide and confuse the competitors/opponents, and to manipulate the economies of the third world countries who are the major suppliers of raw materials to EC. Hence, those whose interests are involved have to check and recheck these statistics and all the assumptions behind the projected estimates, and also the *purpose* behind the assumptions and projections. Are there studies by Indian scholars on the reliability of statistics provided by EC? Or have they taken for granted the reliability of data provided by EC? Have they used other mechanisms for collection of relevant information from independent sources as is done by the industrially advanced countries? Developed countries have detailed information about practically every aspect of economies as well as socio-political conditions of the Third World countries. Besides all official statistics and research publications, information is systematically collected by other means. Some of the legally acceptable methods followed by these countries are: sponsorship of seminars, conferences, workshops, research projects and consultancy assignments; research on Indian problems by Indian students studying abroad, collaborative research programmes; feasibility studies and appraisal of projects funded by international funding agencies; data available with multi-national companies operating in India; banking institutions; use of weather and other satellites for estimating crop related data; data collected by international welfare and other voluntary agencies; news agencies; information extorted under various regulations (such as EEC council regulation no. 2423/88 which grants protection to industries in the community against dumped or subsidized inputs from non-EEC countries) from exporters in India about various input costs and domestic prices; and so on. Compared to them, the Third World countries have practically no other source of information than the

official documents of EEC and member countries. Are such issues discussed by Indian scholars and policymakers?

Related to international trade matter is the topic of protective measures evolved by EC. In our earlier paper (*see* Footnote No.1) we have discussed how throughout their history, in their perpetual struggle for food and agricultural raw materials, countries in Western Europe devised and followed various kinds of tariff protection, non-tariff measures and interventions in commodity markets to safeguard their interest. Any rigid dogmatic approach regarding trade policies was never followed. The concept of free trade has always been a matter of convenience to be followed or discarded according to one's immediate interest. And this has been and is the approach and method of EC. What is most interesting is the grand style with which it handles its import requirements. It is to the credit of its planners and policymakers that they have even converted EC's weakness on food and agricultural fronts into strength. Through various mechanisms they make the exporting country run after them begging for higher quota, most preferred status, linked aid, etc. EC gives a clear message to them that by importing their commodities and products it is obliging them. As if, it can do without such imports from them. And many countries including India do feel highly obliged. Are there studies by Indian scholars on the style of Indian policymakers and exporters vis-a- vis the style of EEC officials and importers?

There is also another mechanism evolved by the EC, namely, dumping charge against the non-European countries. This is used to put these countries on the defensive and also to extort information about various costs and domestic prices. EC's anti-dumping rule calculates the margin between 'normal' sales price and the export price in such a way that there is likely to be a gap between these two prices even when there is no dumping involved. But this is not all. There is an in-built arbitrariness which strengthens EC's hand. Like the concept of free trade, charge of dumping is a matter of convenience. Dumping charge against a country is made under one or more of the following three circumstances: (a) when EC's needs are already satisfied; (b) when EC wants to put the exporting country on

the defensive and/or to punish it, and/or to show its displeasure for some reason; (c) when EC wants to oblige some other country (which may become victim of similar charge some other time). The question is: Are there analytical studies on the subject by Indian scholars? Under what circumstances dumping charges are pressed against non-European countries? How true are such charges? What is the punishment for false charges? Who should be the arbitrator? How non-European countries can show higher production cost for their exports to fetch higher foreign exchange without increasing the domestic prices, and avoid dumping charge. Under what circumstances domestic prices are higher than the export prices? How collective action on export front, separately for each of their commodities (such as tea, feed ingredients, cotton, etc.), will help the non-European countries?, and so on.

There is also the other side of the story. Non-European countries primarily import industrial products, plants and machineries and technologies from EC and other industrially advanced countries. In case of such imports two issues are involved: One, in case of dumping by these countries indigenous industry is affected, and if the importing country imposes duties or follows other means to safeguard its interest, it is blamed and punished. (This can also happen in case of commodities and services. From the past we have the classic example of the *Opium War* of China, and the most recent one we have is U.S. threatening to use Super 301 against India). Second, in contrast to dumping, the industrialised countries may charge 'abnormal' sales price for their goods and services. The questions are: Have the poor, non-European countries ever asked the EC and other rich countries about the 'normal' sales price of these goods and services, about various costs, especially about the marginal cost at various levels under mass production condition? There is charge against dumping. Can there be charge against 'over charging'? Are there in-depth studies by economists and management experts from non-European countries on cost of production, 'normal' sales price, etc., for the goods supplied by EC?

On the export of agricultural commodities there are a few questions. To a considerable extent EC depends upon imports of

food, other agricultural commodities/raw materials and forest produce and products. Under basic scientific classification of substances all this is classified as '*Organic*' i.e. all those substances which could be obtained from vegetables or animals (both terrestrial and aquatic), i.e., substances that are produced by the *living organisms*. This *Organic Matter* or *Bio-Mass* is primarily a product of land, water and Sun's energy, supplemented by other forms of energy. Import of food and agricultural commodities/raw materials means import of organic matter or bio-mass. In this sense, at an aggregate level, self-sufficiency in agriculture means self-sufficiency in organic matter or bio-mass needed to satisfy country's demand. This organic matter could be in the form of grains, cotton, jute, silk, yarn, cloth, garments, oilseeds and oilcakes, cassava, timber, pulp, paper, medicinal herbs, tubers, hide skin, bone, wool, hair, fish, copra, tea, coffee, cocoa, sugar, tobacco, and so on. In the production of these land, men and capital is, in a way, 'blocked'. For the importing country it means somewhere some land, labour and capital is used for its benefit. For the exporting country it means some of its land, labour and capital is used to satisfy demand of some other country. If the importing country decides not to import but to employ its own resources to produce the needed organic matter itself (if it can under the given agro-climatic constraints, or with technology overcoming these constraints), it has to consider the opportunity cost (i.e., the loss of the reward in the next best use of that resource), and other tangible and intangible costs of such efforts. And the same logic is applicable in case a country decides not to export.

There is a general belief among the policymakers, exporters, and even among the students of international trade that if India or any other non-European country decides not to export its agricultural commodities to EC, EC would (a) partially or fully produce these itself, and/or (b) partially or fully get it from some other producers, and/or (c) find a suitable substitute for these (as during the Napoleon War France produced beet-sugar when it could not get cane-sugar due to British blockade of French ports). Such belief leads to fear of permanent loss of EC market for the country's export. No doubt, there could be a grain of truth in such perception. However, before coming to conclusion, one has to ask many ques-

tions: Have the scholars from non-European countries systematically analysed EC's requirements of organic matter? Which items are critical and how critical these are to EC? Does EC has surplus and suitable land to become self-sufficient in organic matter? Can it change its land use and cropping pattern to become self-sufficient? How much time and effort will be needed to achieve desired results? What would be the cost and other implications of such efforts? For which items substitutes are readily available and for which not yet? Are alternate suppliers readily available? Would they be able to satisfy EC's additional demand, and at what cost and price? If the substitute supplier is another poor non-European country what would be the gain to that country? Can non-European producers of a specific commodity come together to share such gains? In short, what would be the cost implications to EC if it decides to be partially or fully self-sufficient in organic matter, or use a substitute product or find other supplier/s? Can such cost factor be taken into account while negotiating commodity prices? Are such issues discussed in Indian writings on EC?

There is also a related issue which links export of organic matter with environmental concerns. Export of any agricultural commodity and product means loss of precious organic matter to the exporting country and gain to the importing country. It is the organic matter and micro-nutrients contained therein that conserves and enriches the fertility of soil and water, and stops degradation of land. For retaining and improving soil fertility and maintaining environmental balance, organic matter taken away from the land has to be replaced either directly or through plant-animal chain. For centuries non-European countries have been exporting agricultural commodities and raw materials to Europe. How much organic matter lost by such exports and how much of this has been replenished by imports? What are the implications of such exports for soil fertility and environmental balance? Are such questions discussed by policymakers, scholars and environmentalists from non-European and other Third World countries.

On environmental concerns there are further questions. Europeans want green and clean Europe. Towards this less polluting

technologies are continuously developed and new standards for products are specified. Throughout the world movement for conservation of nature, and pollution control are encouraged. What are the implications of such movements to poor, developing countries like India? These countries have just internalised the old technologies. These are now in a position to manufacture the kinds of plants and machineries which have been in regular use in and exported by Europe some 15-20 years back. The current environmental concerns make these technologies redundant, and the countries have to import again costly new technologies from the West. Thus, environmental concerns help the West to market its new technologies. Are we at our present stage of development in a position to have the same level of environmental concerns as Europe? How much these concerns add to our costs? And what are the implications of the additional costs? Are environmental concerns coming in the way of accelerating industrialisation of developing countries? There is one more related issue that needs examination. With their concern for green and clean environment, especially in the heart-land of Western Europe, EEC is getting rid of its many out-moded, polluting industries such as leather industry. In the name of transfer of technology and aid are these being transferred to countries on the periphery of Western Europe and to other developing countries? How does such transfers of old technologies affect indigenous development of technologies? For the non-European communities there could be another rather serious implication of the intense concern for environment in Europe. The non-European communities could be blamed by the 'green and clean' Europe for polluting the world, damaging the ozone layer and endangering the life on the planet Earth, by their dirty habits, out-dated technologies, growing population generating pressure on world resources etc. It may lead to desire to control the non-European communities, civilize them, and if these are not possible, treat them as pests and eradicate them to conserve the pristine beauty of nature and natural resources of this planet Earth. The alchemy of desire for economic and *political unity* of Europe when compounded with desire for *environmental purity* can lead to a very explosive product - the desire for racial purity among the 'Golden Youths'. Thus, political unity and environmental purity of Europe are not isolated phenomena, and seen from historical

perspective, could be part of the same process leading to supremacy of Europeans. Are environmentalists in India aware of all these issues emerging from the concern for the environment? And incidentally, have Indian scientists, and for that matter any non-European scientists, independently checked the veracity of claims about the 'global warming' and the 'greenhouse effect'? Independent verification is an essential feature of scientific method. The history of science is cluttered with many a false claims, and it is the independent verification that exposed many a 'Piltdown' forgeries.

The ninth set of questions is about the collaboration among the non-European communities in the field of science and technology. John F. Magee in his article in *Harvard Business Review* mentioned that "The European Commission and European political leadership intend to use the single market to support development of *critical* industries in the EC."<sup>14</sup> We also know that during the last thirty-five years EC has evolved various institutions for scientific and technological collaboration among its members. These cover such critical fields as nuclear science (Euratom) space science (Eurosace), energy, electronics, tele-communication, bio-technology, genetics, chemical engineering, etc. All these help EC to achieve commanding heights on the one hand, in the field of industry, and on the other, in the field of armament, especially development of nuclear, chemical, biological (germ), and space weapon systems. Thus, collaboration in 'critical' technological fields has two dimensions: one concerned with industries providing products and services for civilian use, and other concerned with military use. We are also aware of the racial fundamentalism or Euracialism underlying the formation of EC and process of unification of people of European Origin. We are also aware of the Eastern Europe's and the White Russian's unequivocal identification of themselves as a part and parcel of Europe. Considering all these, the questions will be: Have non-European communities taken steps to create a political atmosphere that would enable the vast technological, human, natural and financial resources of Asian, African, and Latin American regions being used for the development of non-European and racially mixed communities? Have they evolved institutions for collaboration in science and technology as has been

done by EC? Is South-South dialogue limited to talks alone, and at the most, to transfer/sharing of a few rather uncritical, simple technologies, or steps have been taken to share scientific knowledge and technologies in above mentioned critical fields, especially those pertaining to latest weapon systems to face the potential threat from the United Europeans? How institutions could be developed for effective collaboration in specific *critical* fields among the non-European communities? What would be the most appropriate organizational arrangements for such collaborative efforts? What would be the implications of such efforts? Have such questions discussed in various forums of non-European communities, and by scholars from these countries, especially Indian scholars?

Related to above is the tenth set of questions pertaining to defence strategies against the possible onslaught from EC. As in trade so also in military matters European community has always considered attack as the best policy for defence. In contrast, the non-Europeans have always been on defensive. Throughout their history, European nations have unhesitatingly used military force whenever and wherever their commercial interests were challenged. European community already possesses, and continue to develop further, all the modern weapon systems such as nuclear, chemical, biological and space weapon systems. It is obvious that they would not like the non-European communities to have these for fear of retaliation. Hence, emphasis on non-proliferation treaty and attack on those who try to develop such capabilities. For example, attack on Col. Gaddafi's chemical factories. This they could do with utter impunity because in each case the non-European country under attack was trying to develop its capabilities in isolation. Considering all such factors, the questions will be: what would happen if non-European communities collaborate in military matters namely, development and production of weapon systems, and formulation of attack and defence strategies vis-a-vis EC? China and India are two major non-European communities having nuclear weapon capabilities. What will happen if these two countries collaborate on further development of weapon systems and also share these with other non-European communities? Will proliferation of nuclear and chemical weapon systems among large number of non-European



communities reduce the chances of attack on individual nations from the EC? Will such proliferation hasten the need for better international social, economic and political order?

Subversive and terrorist activities are very potent weapons. These, on the one hand, encourage divisive forces in the victim country and concentrate attention and energies of its people on fighting such forces, and on the other hand, by keeping it thus busy, reduce its people's capacity to identify the hidden source, the real enemy, and take any effective measures against this enemy. These weapons are being very effectively used, often in most subtle and indirect way, by the European communities against the non-European communities. The question is: will non-Europeans' collective use of these weapons against the EC reduce EC's use of such weapons against them? Related are the questions on military alliance. European communities have their NATO. Have non-Europeans evolved any such institution to face the European challenge? Such questions on military matters are not sacrosanct, and are openly discussed at various forums in the West even in peace time. Neither the scholars, defence strategists, columnists nor the political leaders in the West feel shy of raising and discussing these issues. In this paper earlier we have referred to President George Bush's recent report to Congress on 'National Security Strategy'. Readers would notice that President Bush does not feel shy of emphasising 'the need to have star war weapons to meet the threat of third world missiles.' This, when except China no other non-European country possesses ICBM. Have defence analysts, military strategists, and leaders paid attention to such matters?

There are many other related issues and questions. In our earlier paper<sup>15</sup> we have referred to Thorvald Stoltenberg's perceptions that continued frustration among the third world countries "may result in a growing belief that armed violence is the only possible way to force through the changes needed for a better existence for themselves and their fellows." He observed that such belief "together with the possibility of the use of nuclear weapons open up frightening perspectives." He further pointed out that while Europeans "fear violence and war primarily because of the insane

waste of human life involved, in many developing countries many people are already suffering from such a 'State of War' because of shortage of food and medicines. Hence, for them perhaps war is not as frightening a prospect as it is for Europeans." While he considered collective rising by the Third World against the Second or First World as unrealistic, both politically and militarily, he expected the terror situation as Europe's greatest security risk by the end of this century. Such observations lead to many questions. Is frustration, born out of failure of negotiations over many decades, among the non-European countries on increase? Is there a growing belief that the armed violence against Europeans is the only possible way to get better deal from Europeans? Is there a growing feeling among the non-European communities that even if they follow the path of non-violence, the War of Races and hence their sufferings are inevitable, and hence it is better to take initiative and follow the path of violence? If they succeed, well and good; if not, they have nothing to loose. Are such frustrations and beliefs being channelised towards deadly confrontation with European community? If war is inevitable, then people have to be emotionally prepared through inculcating a sense of one's superiority and/or righteousness and hatred of the enemy. Are such emotions being inculcated and encouraged? Hatred helps in mobilising society for destruction of enemy. It also leads to self-destruction. Will from the sacrifice of self, from the ashes of destruction, emerge a better social order? With repeated wars over the century on their soil the European societies--their cities, towns, villages, industries --have gone through many times over, the cycles of destruction, resurrection, restoration, and rejuvenation. These helped them a lot in restructuring of their economies and physical assets. But did these lead to evolution of more humane and ethical values? Is this the only possible way for the non-European communities to come up? In short, what are the +ve and -ve implications of violence to both the parties? Are there studies on such matters by the Indian scholars? Or, are such topics preserves of the western scholars alone?

Neither Thoevald Stoltenberg nor we are alone in raising the issue of possible reactions of frustrated non-Europeans. Around this particular theme is William Nicholson's play 'The March'

which is reported to be "the biggest single film ever made by the BBC, and it is expected to reach an audience of one billion people in countries all around the world." We ourselves have not viewed the film, and depend on L.K. Sharma's lucid review<sup>16</sup> of the film. The story is as follows:

Ms. Clare Fitzgerald, European Commissioner for Development, a woman with conscience, is deeply perturbed about the unequal world order. She is familiar with hunger and deprivation witnessed in the past. She tries to break from the community's bureaucratic past and assist the sub-Saharan region in a lasting way. Her chief de cabinet says cynically: "Their mistake is they're not actually starving. First you starve then you get aid. That is the correct procedure". But at times starving does not help. Clare is deeply aware of stark facts of poverty reported in UNDP human development report: "More than one billion people still live in absolute poverty. Per capita income in the 1980s declined by 2.4 per cent a year in sub-Saharan Africa and 0.7 per cent a year in Latin America. A sixth of the people in the South still go hungry everyday. As many as 150 million children under five (one in every three) suffer from serious malnutrition". She goes on a fact-finding mission to the sub-Saharan camp of refugees on a devastated land in a catastrophic region. And it is here she is confronted with the English knowing Isa El Mahdi, the African Gandhi, "Who in an act of defiance reminiscent of the famous Dandi March is leading the marchers from a marginal existence in Sudan to the gates of a new promised land, affluent Europe, to prick the conscience of the smug North."

Some of the dialogues between Clare and El Mahdi are worth reporting:

El Mahdi mocks Clare, "You can do nothing. We are poor because God made us this way, nothing can be done. You may go home, you will go home and we will die". El Mahdi's reasoning makes Clare furious. "So? You expects us to watch you die?" El Mahdi tells her: "If you must, then yes, I want you to watch us die".

El Mahdi tells her, "I think we are poor because you are rich." When Clare pleads with him to let her know what she can do. He tells her: "You can come and live here. I can go and live in your house".

Diplomatic moves by EC to force Algeria and Morocco to stop the marchers at their borders fail. The marchers arrive at the sea, a few miles from Tangier, and El Mahdi addresses a mammoth rally: "The people of Europe ask, why are we coming? We come to ask you a question. Why do you have so much and we so little? This was the moment some right-wing groups in Europe had prepared for by hiring a gunman. A shot rings out but the bullet misses El Mahdi. There is power in numbers. El Mahdi asks the man who had tried to shoot him: "Do you have enough bullets?"

Hardline Eurocrats are heard saying in the community headquarters that the issue is not one of development or hunger but that of control of access to Europe, of immigration. They express fear that if the marchers were allowed to come, other would be encouraged too, at which point Clare intervenes hysterically: "What would you do? Gun them down on the beaches?"

Community leaders sent Clare back to negotiate with El Mahdi with a brief that a small group of marchers would be allowed entry in the beachside hotel. The hotel is fully fortified with heavily-armed soldiers of the combined European security force. Clare discovers that the military officer in charge has been told that no Africans are to be allowed in. She feels double-crossed by the community leaders who have obviously adopted a two-track approach. She herself joins the marchers. The first batch of marchers has already landed on the beach. A young marcher is shot dead by the snipers of the combined European security force. El Mahdi covers the boy's body with his shawl, and walks towards the hotel, people following him. They are on European soil. They rush into the hotel lobbies and gape at the riches of fashion goods displayed all around. A warning is given at the loudhailer. The screen goes blank. The martyrs, if there are any, are not shown. Clare appears again wondering about the fate of the marchers and that of the development dialogue.

Sharma tells us that "Not only does the charismatic African leader's name rhyme with that of the Mahatma, El Mahdi also believes in non-violence." As during the Dandi March, Gandhi was accompanied by some western followers and the British news photographer, so also is El Mahdi, in his case by a black American newspaperman and a black American Congressman.

Sharma further comments:

"Pushed off the negotiating table, the North-South issue enters in the guise of drama into the homes of millions of TV viewers in nine European countries desensitised by images of poverty and hunger in distant Africa. The theme this time has a new angle and a more powerful appeal because it threatens their very lifestyles and exposes the vulnerability of their affluent society. The confrontation portrayed through this new genre of 'development drama' tells the comfortable Europeans that their island of prosperity can no longer exist in isolation and that it will be engulfed by the surrounding seas of poverty."

The confrontation is symbolically between the black African leader, and the white Eurocrat even though the latter does not represent the majority white view. She is the spokesperson of the liberal western view and is used in the drama to convey El Mahdi's message to the white: "I think we are poor because you are rich."

"The March is being screened at a time when the West is preoccupied with the liberated eastern Europe and its economic nightmare and when it is setting up a new bank to bail out the former communist countries. Third World countries are alarmed by the prospects of their share of aid and investments being diverted."

"Far-sighted westerners want to act and like Clare want to use the threat posed by the march to make the rich North loosen its purse strings in order to make the poor stay on their own land. William Nicholson has written the script in the knowledge that "20 per cent of the world's people consume 80 per cent of the resources. Our pets eat better than millions of Africans." 'Why?', he asks.

This is what Sharma reports. There are many whys? Are such questions so bluntly asked and answered in Indian literature on EEC? Will non-violence philosophy help in bringing a new economic order? Is there any serious dialogue on this in non-European communities? There are also other questions. What would be the likely reaction of European viewers to such films: compassion for poor? Provide aid to make poor stay on their own land? Support early and stronger European Union to face the threat?

The eleventh set of questions will be about European population. In our earlier paper (*see* Footnote No.1) we have drawn attention to the fact that Europe has been, and still is, one of the most densely populated regions of the world. Five of the twelve EEC countries, namely, U.K., the Netherlands, German Federal Republic, Belgium and Luxembourg, have higher density of population than India. Historically, density as well as rate of growth of European population has been higher than Asia. Between 1650 to 1929 density of population in Europe increased from 26 to 126, while in Asia it increased from 15 to 57. During this period Europe's population increased by 4.8 times, while that of Asia 3.8 times. This higher rate of growth of European population has been in spite of high death rates during major famines, epidemics and war, vast movement of population to the New World countries since the 16th century, and greater agricultural productivity and industrialisation. Between 1821 to 1932 alone nearly 70 million Europeans migrated to the New World countries and Asiatic Russia. Between 1946 and 1957 further 6.6 million Europeans migrated to the New World countries. In spite of such massive migrations, density of population in Europe remained very high. The population of New World countries also increased very fast due to high rate of growth and continuous high migration from Europe. If we take into account European population plus population of European migrants to the New World countries and other parts of the world and their growth of population, we find that "the non-European stocks in the world have increased since 1650 about 3.2 times; the European stocks about 6.4 times, or twice as fast."<sup>17</sup>

The questions will be: What could be the reasons for such extraordinary fast rate of breeding of European stocks? In other words, what makes them breed faster than the black, brown and yellow races? Does the high migration of Europeans to the New World countries continue even today? To which countries Europeans are migrating today and why? Why, as compared to European migration, there is less migration to the New World countries (especially to North and South America, Australia and New Zealand) from non-European countries? What are the immigration rules in these countries? Are these discriminatory against

non-European communities? Has this question been raised in UN and other forums? Why in international forums growth of population of non-European stocks is always emphasised and not of European stocks? There are many such questions on European populations that should have attracted attention of demographers from non-European countries.

There are also questions regarding the fate of indigenous races in the New World countries such as Red Indians (Amerindians) of North and South America, aboriginals of Australia, and Maories of New Zealand. What is their present population and rate of growth, their economic and social condition, and the treatment they receive from the whites? Has there been any discussion on these issues in international forums, especially by those championing the cause of Human Rights? Similar questions are to be asked about the conditions of non-European minorities in Europe and the New World countries. Such questions should have come to the minds of ethnologists, ethnographers and anthropologists from the non-European communities.

In the New World countries, especially in the Latin American countries there are communities of mixed blood, the early Portuguese and Spanish colonists being relatively less puritan on these matters than the Anglo-Saxons. What is the percentage of this population? How do these communities react to the politico-racial objectives of EEC? How much influence these communities exercise in the economic and political decisions especially pertaining to relations with EEC? Most of these countries come under the Third World category due to poverty, economic backwardness and exploitation by industrially advanced countries. Is the mixed blood another criteria bringing them closer to other non-European communities? How much attention we have paid to these matters in our diplomatic efforts for South- South dialogue?

There is a related matter concerning us in the Indian sub-continent, and also many south Asian countries. Around 2500 B.C. one of the Indo-European tribe, the Nordic, known as 'Aryan' entered the Indian sub-continent. Since then, the region has been a 'melting

pot of races'. We are neither black, nor white, nor yellow, but all in one, the so called 'brown'. Yet deep in psyche of a class of people persists the memory of this pre- historic link with the Nordics. Has this memory influenced the reaction of Indian policy makers towards the Europeans? Is it an advantage or a disadvantage? Has the racial mixture enhanced our capacity to perceive and deal with the racial issues more objectively and humanely? Has our tendency to avoid confrontation and conflict and taking extreme position on either economic issues or racial and cultural issues, a function of our mixed racial heritage? Have Europeans exploited this tendency for their economic and political gains? Have behavioural and social scientists looked into these questions?

Another related issue pertains to our foreign policy based on NAM. Recently, Rajiv Desai has made many pertinent observations and raised many questions on our foreign policy in the context of happenings in Europe.<sup>18</sup> Some of his major observations and questions are presented below:

"It appears as if the 21st century will see a European revival... Today, the West has been able to surmount its divisiveness... The continent that gave the world much of its science, technology, art and culture is poised once again on the brink of greatness.

In the European century, where will India fit? Events in Europe surely call for a reappraisal of non- alignment, the policy that has dominated external affairs thinking in New Delhi for nearly four decades.

Fashioned in the crucible of the Cold War, non- alignment was the ultimate expression of India's neither-here-nor-there approach to world affairs. The initial ambivalence gave way later to a vested interest as India's privileged class tried to create its own Fabian paradise here.

This elite nexus of bureaucrats, academics and politicians, who feed at the troughs of state power, saw in non-alignment another way of extending their hold over public life. The non-aligned policy captured their duplicity.

With today's events in Europe, India is left high and dry-neither here nor there. Western nations are deeply suspicious of India while the Socialist countries couldn't care less, enamoured as they are about the opening to the West.

Meanwhile back in Delhi, there is no sign of a rethink. As their neatly structured self-serving theory crumbles around them, the mandarins have fallen back on Nelson Mandela and Apartheid, Nujoma and Namibia. No one is talking about non-alignment any more. Heads firmly buried in the sand, India's privileged class is hoping the crisis will blow over.

But will it? Fundamental changes are in air... Without the powerful patronage of the Kremlin, the non- aligned movement is in for hard times. It provided for the Indian privileged class, whose *raison d'etre* is a knee jerk anti-West ideology.



As the East-West divide is bridged by recent events in Europe, Indian policy-makers may paddle the North-South, rich versus poor standoff as a new ideology in order to reinforce their own position at home. However, without any real economic and political muscle to back it up, the developed rich versus developing poor nation argument is a non-starter.

Indian foreign policy must begin to look away from the purely political stance in which Nujoma, Mandela, Arafat are given more importance than the issues of global political economy. Our support for them may win applause in the United Nations General Assembly but does nothing for us in the councils of trade and economic alliances.

This is not to say we jettison their causes but to urge we take a cold, hard look at current policy in which the NAM secretariat, the UN and various other bureaucratic pork barrels are given undue prominence. It is time right thinking people questioned policies that have India picking nuts and berries in obscure groves at the margins of the world mainstream.

In the coming European century, there is no automatic berth for India. Especially if the privileged class continues to dictate policy that is blind to the emerging new realities in the world today and is aimed solely at preserving its turf, its access to state patronage."

Newspaper columnists and other media people have their own peculiar sensitivities in judging the events, and ways of communicating their views. These, though harsh and blunt, can not be ignored by social scientists especially when the events are fast moving. Have such issues pertaining to Indian foreign policy and, especially, NAM discussed in Indian literature on EEC?

Today all such questions are of increasing significance. Underlying European Unity and Unity of people of European Origin is the racial arrogance and fundamentalism. With German unification the prospects of emergence of neo-Nazism are high. There are indications that racist impulses are very much alive in EC. For example, the recent racial violence in France against the immigrants of Moroccan (Maghrebian) origin. Vaiju Naravane reported three separate cold-blooded killings of Moroccan adolescents, considered as "Dirty Arabs" by their killers, in France. He reported:

"These three crimes, all of them against persons of Maghrebian origin say all that there is to be said about the mounting racism in France.

While most politicians have condemned the killings and stressed urgent need "for integrating" immigrant populations, Mr. Jean Marie le Pen of the extreme right wing National Front said, "these attacks only confirm and reinforce the National Front's thesis that it is extremely difficult for culturally different groups of people to cohabit." The extreme right wing leader also violently criticised the media which has extensively covered demonstrations by the

Maghrebian community to protest against racist attacks, saying, "Certain organs of the press are xenomaniac, preferring to take sides with the foreigners, instead of understanding the exasperation of the French."

When Moroccan government addressed a note of vehement protest to the French government, Mr. Jean Marie le Pen denounced it as "interference in the internal affairs of France." The President, Mr. Francis Mitterrand, described these crimes as "crimes of stupidity, of brutality and intolerance". "Racism in France," explained President Mitterrand, "is being exploited for political ends."<sup>19</sup>

Such news about racism in Western Europe is common. Little is, however, known about the racism of Russians. We only know that Mao Tse Tung once charged Khrushchev as racist (as reported by the Indian telenews 'World This Week' on April 26, 1990). The question is with such racial impulses being very much alive in EC, what will be the treatment the non-European communities will receive from the United States of Europe? Will it be any better than the one received by non-European communities from the early expeditions of Europeans ?

This leads to a rather delicate question: What has been and is Indian reaction to European racialism? It is well known that from the early period colonialism has three components: political domination, economic exploitation, and the third, perhaps the most hated one, the socio-psychological component, i.e., social discrimination and psychological domination--a product of racial arrogance and racialism. The question is, when European colonial powers gave freedom to their colonies, does it mean they have completely overcome the desire and attitudes on all the three fronts? Can we assume that colonialism is dead because none of the members of the EC have any more colonies in Africa and Asia? Or, will it be a too simplistic and naive assumption? Does the Indian foreign policy take into account all the three components? Or do the Indian foreign policymakers feel rather shy of openly criticising European racialism, in contrast to their sharp reaction to two other components of colonialism? If so, why? Our policymakers have been always most vocal when it comes to criticising South Africa's apartheid policy. This has helped them win African's gratitude. Does it mean that apartheid exist only in South Africa and nowhere else in the world? By keeping the South African issue alive all these years by

open and subtle support to South Africa, and by prolonging the settlement of the issue, has not the European Community very effectively diverted the attention of the Indian and other non-European communities from its own racialism? Through the strategy of common market and political union of people of European origin, EC is moving fast towards segregation of European race itself. South Africa's apartheid policy is honestly, openly, candidly stated; European Community's is very subtle, invisible, never explicit, yet always present. Apartheid in South Africa is on the run; In EC it is going from strength to strength. Thus, while racialism is being subdued in a small corner of the world, a supra-apartheid regime is emerging in Europe. The question is: Have the Indian policymakers ignored or overlooked existence of European racialism? If so, has this coloured India's political and economic policies towards the European Community? Is there discussion on such issues in Indian literature on the EC?

The last set of questions is of more fundamental nature. It also integrates issues raised in other sets of questions. Will Europe's drive towards supra-nationalism be limited only to the Europe and people of European origin (that will cover North and South America, Australia, New Zealand, South Africa, and islands colonised by Europeans), or will it also include on equal footing the non-European communities (i.e. black, brown and yellow communities in the world) thus moving towards a new kind of *International Social Order for Survival (I-SOS) of humanity*? By emphasising the *European Origin and European Culture* is EC evolving a neo-apartheid approach of mega dimension? Racism is a socio-psychological and cultural phenomenon emerging from differences in physical traits. And so long as the differences in physical traits exist, racism will always raise its head. In historical times tribes moved freely all over the world. That is how various regions of the earth got inhabited. It is the 'in-breeding' encouraged by the national state concept of post-medieval period that has given strength to racism. It can only be overcome by 'mixed-breeding' possible under supra-nationalism. Can neo-apartheid approach of EEC ever lead to more humane international economic order? In other words, can an international economic order be envisaged without a more equitable

International Social Order for Survival of humanity, where people of all races can move and intermingled freely, where racial and national or supra-national boundaries will not be co-terminous, where each region of the planet Earth will be multi-racial and eventually of racially mixed human type? Such an I-SOS is possible only with free movement and breeding of people and/or genes of different races. People may not move easily and their movements may not be accepted easily, but genes can move easily with the help of modern technology, and perhaps the outcome of mixed genes has greater chances of acceptance during early stages of international social reconstruction. In our negotiations with the White West should we discuss only matters concerning trade barriers, or should we also discuss the barriers against the free movement of people that may be coming in the way of evolution of a world community? Japan has a policy of encouraging migration of its people to many Latin American countries, such as Peru. This it has been silently doing for decades. Recently, a person of Japanese origin, Mr. Alberto Fujimori, got elected as President of Peru. In the South-South dialogue have we discussed the issue of migration of non-European people to the New world countries, especially the North and Latin American countries so that there is greater intermingling of races and cultures in these countries? And if such intermingling of the races takes place in these and other countries, will it not be a more effective defence against the Euracialism? There could also be movement of people from EC, North America and other European countries to countries of Asia and Africa. This happened in the past in case of Europe but for empire building and colonisation. Today, there is some movement in reverse direction. People from Asia and Africa migrate to N. America and other European countries for jobs, and many settle down there. Why reverse movement is not there? In short, EC has evolved many economic and socio-cultural strategies to achieve its politico-racial objective. Should the Third World countries passively react to the economic impulses generated by EC, or should they generate their own impulses to evolve a new International Social Order for Survival of humanity? Does the literature indicate presence of such efforts?

The above discussed twelve sets of questions fall in several academic disciplines and provide a framework for review of literature on the subject. Such a review would require a multi-disciplinary approach and team work. We have no pretensions of having done so, nor the review is exhaustive. What is presented in our next working paper may be considered as a sample, purely based on the writings on EEC by Indian scholars, diplomats, columnists and journalists readily available to us. If others are encouraged to do more exhaustive reviews and generate more questions in the same vein, our purpose is served.

### (III)

In our earlier paper<sup>20</sup> we have sought answers to many such questions and related issues in the writings of western scholars, diplomats, and columnists available to us, to provide a back-drop for the analysis of Indian reaction to EEC. In that paper we have seen that most of the descriptive and analytical studies on EEC produced in the West were primarily based on the data published or provided by EEC authorities. As such, in most of these studies, there is a considerable repetition of the content, reinforcing what EEC propounds. Hence, we have to watch against the likely propaganda effect created by such repeated messages. The second thing that we noticed was that from the beginning it was the political scientists, political leaders and diplomats followed by economists and journalists who contributed most to the literature on EEC. There seems to be little or no contribution by sociologists, psychologists, anthropologists, ethnologists and communication and media researchers. Hence, satisfactory answers to many questions on socio-cultural, racial and propaganda dimensions mentioned above could not be found in the western literature on EEC available to us.

We have also seen that in the literature on EEC produced in the West three things are generally conspicuous by their absence, and which are worth noting by our scholars and bureaucrats/diplomats: *One*, any reference to race and racism (except some occasional reference to fear of possible emergence of

neo-Nazism in Germany); *Two*, any reference to, and concern for, Asian countries, and their reactions to EEC. (The only Asian country they are concerned with is Japan. Other Asian countries including India and China do not figure in their writings. African countries attract attention due to ACP Association Agreements and Lome Conventions. Here again, the analysis is one-sided since it does not tell us the benefits derived by EEC through such Agreements and Conventions); *Third*, any suggestion regarding alternate strategies non-European countries may follow to improve their bargaining power vis-a-vis EEC. (Questions such as what will be the impact on EEC of non-cooperation by the third world countries are not discussed in the western writings.)

We have also seen that in early stages of EEC, its leaders, such as Monnet and Hallstein, emphasised the ultimate political objective underlying formation of EEC. Political scientists and columnists, especially from USA, took great interest in this political objective of EEC. Over the years, however, economic and commercial aspects of EEC received greater attention than the political one. The 1992 schizophrenia and intense attention to economic and commercial interests have hidden the deadly politico-racial objectives of EEC. Only after Single European Act (1985) there was some revival of interest in political issues. Only recently, with political unification of Germany becoming a reality, there has been renewed interest in such topics as danger to Europe from a united, powerful Germany, and possible emergence of neo-nazism.

In our next working paper we shall discuss reactions of Indian scholars, diplomats and columnists to EEC. We shall see whether Indian thinking about EEC was in any way different from that of western writers. What basic issues and concerns dominated the Indian thinking? These writers were, in a way, pioneers as they were dealing with the fast changing scene in Europe. From the hind-sight we can judge how correct were the perceptions of early Indian writers and their analysis of situation, and where did they go wrong. This, not to find fault with their analysis, but to help us evolve alternate strategies to suit the changing circumstances,

which, hopefully, may prove to be better than those followed all these thirty odd years in our dealings with EEC.

## NOTES

1. V.R. Gaikwad, "European Economic Community: Underlying Motives and Their Implications", Working Paper No.841, Indian Institute of Management, Ahmedabad, January 1990.

2. Jean Monnet, "A Ferment of Change", in Lawrence B. Krause (ed.), *The Common Market: Progress and Controversy*, Prentice-Hall, Inc., Englewood Cliffs, N.J., 1964, pp.40-50.

3. This was pointed out by John Brooks, *The European Common Market*, Economica Books, Smith, Keynes and Marshall, Inc., Publishers, New York, 1963, p.27.

4. "European Leaders for Political Union", *The Times of India*, Ahmedabad edition, April 30, 1990.

5. Walter Hallstein, "NATO and the European Economic Community", in Krause (ed.), *op.cit.*, pp.51-61.

6. Walter Hallstein, *Europe in the Making*, 1972, p.29 (as quoted by G. Sundaram, *Commercial policy of European Economic Community and the Association Agreements*, Allied Publishers Pvt. Ltd., 1983, p.69).

7. *Harvard Business Review*. "The Changing Map of Europe: EC 1992", May-June 1989, pp.77-101.

8. James Reston, "The Problems of Race in World Politics", *The New York Times*, December 15, 1961.

9. I am grateful to Professor Pradeep N. Khandwalla, IIMA for drawing my attention to these questions while commenting on the

draft of my earlier paper, EEC:Underlying Motives and Their Implications (see Footnote 1).

10. Massive propaganda was immediately launched to justify events in Rumania and create an impression that (a) events were spontaneous, (b) it was a revolt of masses against the dictatorial rule of Nicolae Ceausescu who was projected as living in splendor while masses suffered for long from shortage of food and clothing, (c) economy was in shambles and (d) execution of Nicolae and Elena Ceausescu was just. In spite of what was shown in telenews on execution of Ceausescus, the event was shrouded in great mystery. Persons sitting in judgement were not revealed. Only recently we know that the presiding officer committed suicide. No reasons for the suicide, however, were given. These observations are validated by the recent news on the topic. Vaiju Narvane reported that Romanian revolution was a 'Palace Coup'. According to him, 'the recent telecasting of video- cassette showing the unedited version of the trial and execution of Nicolae Ceaucescu and Elena revealed Romanian's best kept secret since the fall of Ceaucescu: the identify of the 10-member tribunal who tried to sentenced the couple. Among the so-called jury were the present Prime Minister, Mr. Gelu Viocan Voiculescu, the present defence minister, General Stanculescu, who ordered the army to fire on peaceful demonstrators in Timisoara last December, and Major General Gicu Popa, who committed suicide after his connections with the securitate were brought to light. Reporters also identified a certain Professor Marugianu, who behind his facade of a philosophy teacher was a colonel in the securitate, Ceaucescu's dreaded information network. Professor Marugianu is today one of the top aides to the President, Mr. Ion Lliescu.' Vaiju Narvane further reported: 'the cassette confirms the theory advanced by several journalists and experts that the Romanian revolution was not a spontaneous popular uprising at all, but a palace coup which was cleverly grafted on to street demonstrations which could have been easily quelled if Ceaucescu's Generals had not decided to desert him. The National Salvation Front (NSF), which took over power less than an hour after Ceaucescu fled, claimed it had been formed in the turmoil of the uprising. This has now been proved to be false... Indeed, in Bucharest there is an



increasing realisation on the part of the population that they have been duped, in bits and pieces. The truth is at last coming to light about how both the media and the population were manipulated in the first flush of the revolution". See Vaiju Narvane, "Rumanian Revolution a Palace Coup", *The Times of India*, Ahmedabad edition, April 27, 1990.

11. As reported in *The Times of India*, Ahmedabad edition, March 23, 1990.

12. Gandhi was primarily a political strategist having the primary objective of destroying the British rule over India. His emphasis on *Swadeshi* was an outward component of his political strategy. As a man of extremely critical mind and trained in law, he presented unrefutable arguments against the use of foreign goods and propagation of *Khadi* which was a powerful symbol of indigenous production technology. One has to go through his arguments carefully to understand the real implications of his strategy. He mixed religion, culture, economies - everything possible in support of *Swadeshi* to ultimately hit Britain where it would hurt the most: its economy. For further elaboration see V.R. Gaikwad, "Rural Development Strategies: Evaluation of Some Early Experiments in India", in M.L. Dantwala, et.al. (ed.), *Asian Seminar on Rural Development: Indian Experience*, Oxford and IBH Publishing Co. Pvt. Ltd., New Delhi, 1986, pp. 52-9.

13. For answers see Roger Fisher and William Ury with Bruce Patton, editor, *Getting to Yes: Negotiating Agreements Without Giving In*, Hutchinson Business, London, First published 1982 and reprinted many times, recently 1989.

14. *Harvard Business Review*, *op.cit.*

15. V. R. Gaikwad, "European Economic Community : Reactions Abroad and in India : Review of Literature : Part-I, Reactions Abroad", Working Paper No. 854, IIMA, March 1990, pp. 25-6.

16. L.K. Sharma, "Watch Us Die", *The Times of India*, (Sunday Review; Delhi edition), 24 June 1990, p.3.

17. W.F. Willcox (ed.), *International Migrations*, Vol.II: *Inter-relations*, Gordon and Breach Science Publishers, New York, 1969, p.82.

18. Rajiv Desai, "Foreign Policy : Nam and Namibia will not get us trade alliance", *The Times of India*, Ahmedabad edition, April 30, 1990.

19. Vaiju Naravane, "Paris letter: Immigrants bear the brunt of racial violence", *The Times of India*, Ahmedabad edition, March 20, 1990, p.7.

20. V.R. Gaikwad, Working Paper No.854, *op.cit.*

