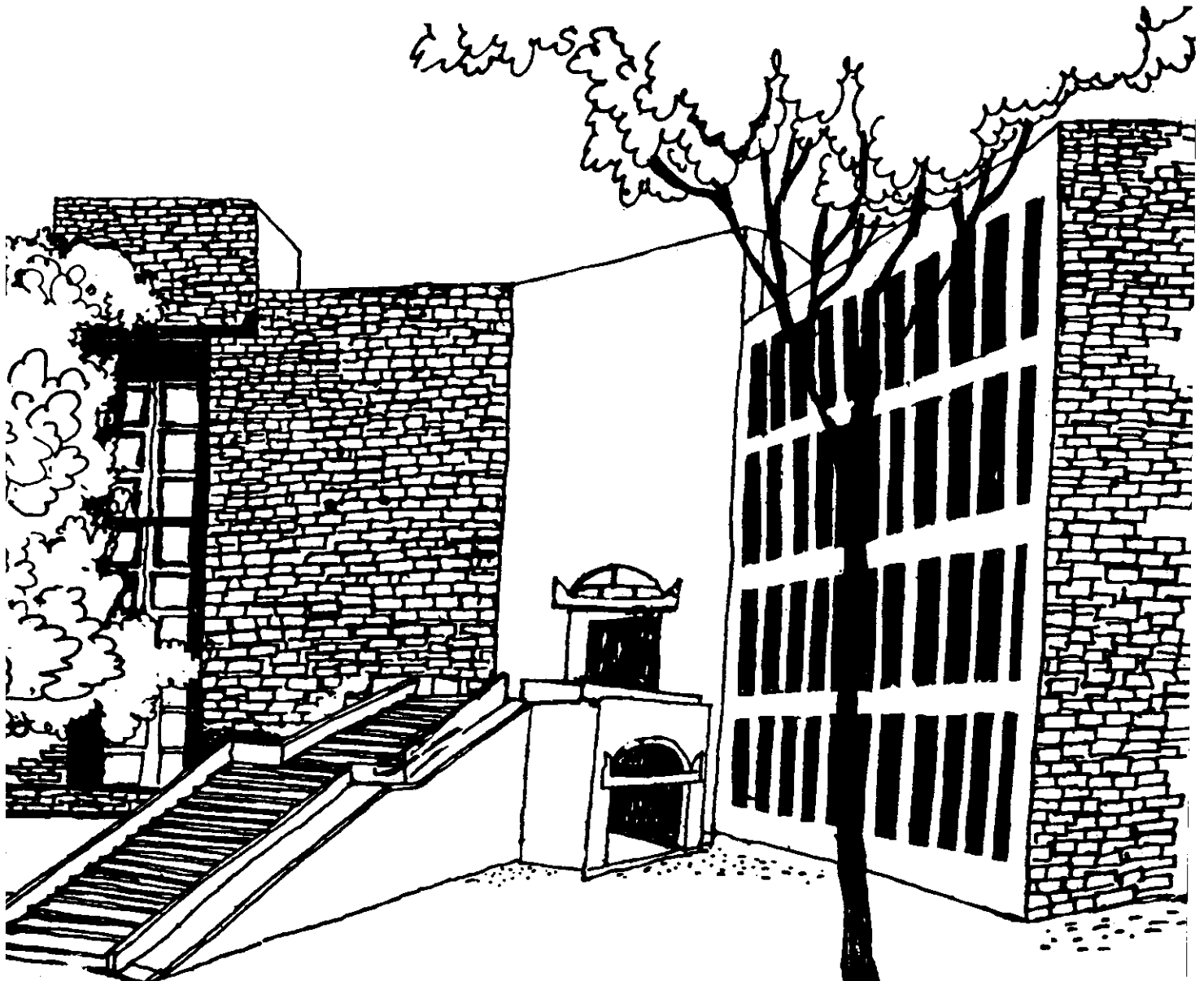




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Working Paper



European Economic Community
Review of Literature
Reactions In India: Part I: 1960-1980

V.R. Gaikwad

WP969

WP
1991/969

W.P.No 969
September 1991

The main objective of the working paper series of
the IIMA is to help faculty members to
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European Economic Community

Review of Literature

Reactions In India: Part I: 1960-1980

Summary

This is our fourth working paper (WP) on the EC. The first paper (WP 841, Jan.1990) analysed the basic motives underlying the formation of the EC as reflected in the writings of Jean Monnet—"The Father of the Common Market". The Paper discussed the gigantic changes of great historical significance taking place in Europe. Following the Common Market strategy EC is relentlessly moving towards its ultimate political objective, i.e., a United States of Europe. Recent events in Eastern Europe and USSR are not spontaneous but result of the long-term strategy for uniting 'People of *European Origin*'. Gorbachov's *perestroika* and *glasnost* are strategies to provide "freedom" to East Europeans and European (white) 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. Today, EC leaders talk about "a broader, Helsinki-type Europe, from San Francisco to Vladivostock."

Our analysis 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.

EC-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 since then. EC-1992 is a landmark, a symbol of consolidation of European power and Euracial fundamentalism. It can also be a prelude to *War of Races*.

Against the United Europe and 'People of European Origin' where do non-European communities stand? Have they realised in time the long-term implications of European unification processes and taken timely steps so safeguard their future? Have they asked themselves the question, whether by cooperating with EC with an eye on short-term commercial gains, are they further strengthening Europe's drive towards its politico-racial objective?

In our second paper (WP 854, Mar.1990) we have sought answers to these and related questions in the writings of western writers. In our third paper (WP 872, July 1990) we have discussed twelve sets of questions which try to look at EC from our perspective, i.e., non-European perspective.

In this paper we shall see whether Indian thinking on EC has been in any way different from that of the western writers. Did it go beyond the traditional, stereotype ways of looking at European Community? What basic issues and concerns dominated Indian thinking? What was their analysis of events and reading of the future? What strategies and actions they recommended? and so on. The paper reviews ICSSR's survey of research (trend reports) in various disciplines, especially, in Public Administration (Khilnani and Sinaj, "Administration of External Affairs"), Macroeconomics (Manmohan Singh, "International Trade and Payments"), Management (C.P. Rao, "Marketing"), Political Science: International Studies (Prasad and Phadnis, "Area Studies"; Mahendra Kumar, "Foreign Policy"; K. Subrahmanyam, "Defence Policy and Analysis"). In addition, the paper reviews in detail the writings of eleven other Indian scholars from various disciplines.

This review is an eye-opener. It tells us about our scholars', top political leaders' and bureaucrats' world view, their orientation towards EC, and their reading of the events and perceptions about the future. Readers can themselves check the validity of these writers' assumptions and conclusions and their perceptions against the current realities.

European Economic Community

Review of Literature

Reactions In India: Part - I 1960-1980

1.0 Introduction

In our earlier paper¹ we have analysed four basic motives underlying formation of EC as reflected in the writings of Jean Monnet² 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 EC 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 the strategy evolved by Monnet 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.³ 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 goal EC-1992.* Before the end of 1992 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

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.

Author: Professor V.R. Gaikwad, Indian Institute of Management, Ahmedabad. July, 1991.
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* Following this, in this paper we have used both the terms EEC and EC generally keeping the context in mind.

plan to achieve political union by January 1993. We quote from the newspaper report on the subject:⁴

"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 EC members were always there, but short-lived, and did not in any way affect EC's movement towards its ultimate objective of European political unity. People of European origin are fast coming together. Where does this concept of People of European Origin lead to should be a concern to all non-European communities.

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

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 unity 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."⁵

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."⁶

If EEC is a three stage rocket, it is obviously not for ceremonial 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 EC, then do these take into account the basic political motives underlying formation of EC, or concentrate merely on the economic issues? Harvard Business Review in its recent issue (May-June 1989)

5 Walter Hallstein, "NATO and the European Economic Community", in Krause (ed.), *op.cit.*, pp.51-56.

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* (including Indo-EC Trade), Allied Publishers Pvt. Ltd., 1983, p.69).

asked the question "When are the critical strategic plays likely to occur?" Have the non-European communities taken any advanced strategic actions to stop European mass becoming 'critical'?

Monnet's vision of United States of Europe included U.S.A. and Russia. This vision continues to influence the thinking of present day leaders of EC, and consequently strategies and policies of EC. For example, Italian Foreign Minister Gianni De Michelis who assumed the six-month rotating presidency of the European Community on July 1, 1990 is reported to have said:

"I think of the future Europe as a series of concentric circles. The inner circle will be the Twelve of the Community. But by the end of 1991, we will negotiate an agreement with the second circle, the market democracies of EFTA (The European Free Trade Association), and with the third circle, the six Eastern and Central European countries of the old communist world. They will have open access to the EC market and in the long run will be able to join the Community if they want. The fourth circle - the Soviet Union, United States and Canada - is obviously the softest. No one can foresee quite how they will be linked. *But we want to build a broader, Helsinki-type Europe, from San Francisco to Vladivostok.*"⁸

This vision of a 'broader, Helsinki-type Europe, from San Francisco to Vladivostok' should raise many questions in the minds of non-Europeans as well as Americans and Canadians. For example, do the Americans like the idea of merging their identity, their unique, multi-racial culture, their currency, etc., with that of EC? In the eventuality of broader Europe, what would be the fate of the Blacks and other coloured minorities, Jews, and other ethnic groups? Unfortunately, we do not know the reactions of Americans and Canadians to the 'Broader Europe' idea of the President of the EC.

In the context of 'Broader Europe' one may also ask the question regarding the fate of ethnolinguistic groups in the Union of Soviet Socialist Republics. The Soviet Union contains about a hundred ethnolinguistic groups (nationalities) spread over 15 republics. These groups are generally classified as:

Indo-European: Baltic; Slavic; Iranian; others.
Uralic: Finni; Other Finnic; Ugric; Samoyedic.
Altaic: Turkic; Other Turkic; Mongolian; Tungus.
Caucasian: (Georgian and many others)

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

8 "How Nato Must Change", *Newsweek*, July 2, 1990, p.56; emphasis added; (The article was based on an interview of Gianni De Michelis by *Newsweek's* Margaret Warner in Turnberry, Scotland)

Paleo-Siberian: (Chukchi, Koryak and others).
Other Categories: Jewish; Korean; Eskimo.

The union of these was forged during European expansion beyond the Ural since 1556, resulting in European colonisation of Northern and Central Asia - an expansion contemporary of West European expansion after discovery of N. America by Columbus in 1492. The three European (predominantly Slavic) republics, namely, Russian Republic (Largest; 145 million strong), Ukraine (51.5 million), and Byelorussia (10.1 million) dominate the Union culturally, politically, economically and militarily. The four Soviet Central Asian Republics, namely Kirghizia (4.3 million), Turkmenistan (3.5 million), Tajikistan (5.1 million) and Uzbekistan (19.8 million) are predominantly Muslim. While people of modern Tajikistan are of Iranian origin, natives of other three republics, and also of Azarbaijan (7.0 million) and Kazakhstan (16.5 million), are largely of Mongel-Turkic racial groups. These Central Asian Republics have highest birth rates in the U.S.S.R. "If current trends continue (and they may not as the republics industrialize), the U.S.S.R. could be predominantly Muslim country within a century."⁹ White Russians are often blamed for their cultural and economic imperialism.¹⁰ "Adding to their worries are demographic projections that the Russians are losing their majority status in the Soviet Union".¹¹

From the above, one can say that the dominant factor determining Gorbachov-Yeltsin moves towards greater collaboration with the EC and U.S.A. need not be purely economic. The fear of possible lose of European (White Russian) supremacy over the ethnolinguistic groups (mostly Asiatic and Islamic) can also provide a powerful motive for greater Russian collaboration with the West.

Incidentally, confrontation between the Western and Islamic worlds is very much in the minds of European leaders. To a question "If there is no threat from the East, why does Europe need this security apparatus (NATO) at all?", Gianni De Michelis replied:

"It would be a mistake to dissolve this asset, to waste the cohesion that has been built within this security organization. We are going in the direction of a more peaceful Europe, but many tensions are there, too, even inside the alliance, like Turkey and Greece. And you can image that the confrontation between communism and the

9 See "Soviet Union Map" (Supplement), *National Geographic*, Vol.177, No.3, March 1990.

10 Economic discontent in Soviet Central Asian Republics is not new but existed from the beginning. These suffered from unsatisfactory rate of growth on the one hand and lopsided development on the other. For discussion on the subject see Shams-Ud-Din, "Pattern of Economic Development in Soviet Central Asia", *Bharatiya Samajik Chintan*, March-December 1979, Vol.2, pp.33-9

11 *National Geographic*, *op.cit*

market economies could be replaced by a confrontation between the Western and Islamic worlds."¹²

We do not know whether the President of the EC only casually mentioned about this 'confrontation between the Western and Islamic Worlds', or it was an unintended hint about the things in offing - the Gulf-war that materialised seven months later (February 1991). A question, somehow, comes to our mind at this stage. Over the centuries, how often Europeans have attacked the lands of non-Europeans under one pretext or another, and how often non-Europeans have attacked the lands of Europeans? In the answer is the stark reality. Gulf-war is merely a reminder of that stark reality, and it may not be the last one.

Our analysis of the four basic motives underlying formation of EC 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."¹³ This was based on his interviews of influential French EC officials. What will be the end result of such a conflict is a question mark.

EC-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. EC-1992 is a landmark, a symbol of consolidation of European community's power, and Euracial fundamentalism. 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 EC 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

12 *Newsweek, op.cit*

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

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? EC 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.

2.0 Western Views on EC

Based on the analysis of the four basic motives underlying formation of EC we have raised a number of questions and issues. In our second working paper¹⁴ we have sought answers to these questions and related issues in the writings, available to us, of western scholars, diplomats and columnists to provide a back-drop for the analysis of Indian reaction to EC. In that paper we have seen that most of the descriptive and analytical studies on EC produced in the West were primarily based on the data published or provided by EC authorities. As such, in most of these studies, there is a considerable repetition of the content, reinforcing what EC 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 EC. 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 EC available to us.

We have also seen that in the literature on EC 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 EC. (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 EC through such Agreements and Conventions), Third, any suggestion regarding alternate strategies non-European countries may follow to improve their

14 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.

bargaining power vis-a-vis EC. (Questions such as what will be the impact on EC of non-cooperation by the third world countries are not discussed in the western writings.)

We have also seen that in early stages of EC, its leaders, such as Monnet and Hallstein, emphasised the ultimate political objective underlying formation of EC. Political scientists and columnists, especially from USA, took great interest in this political objective of EC. Over the years, however, economic and commercial aspects of EC 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 EC. Only after Single European Act (1985) there was some revival of interest in political issues. Only recently, with unification of Germany, there has been renewed interest in such topics as danger to Europe from a united, powerful Germany, and possible emergence of neo-Nazism.

3.0 Some Questions

Due to colonial legacy of awe for Europeans, and under the influence of western thoughts and ways of looking at the world, there is a great danger that we may also look at EC in a traditional, stereotype way--the way EC wants us to look at it without raising any questions or doubts which would be uncomfortable to EC and also to us. To save us from this pit-fall, in our third working paper¹⁵ we have discussed twelve sets of questions which try to look at EC from our perspective, i.e., non-European perspective. These cover questions pertaining to:

- Ethnocentrism, racial fundamentalism, neo-Nazism in Europe;
- European supra-nationalism and its impact on other communities of European origin;
- Effect of EC on Non-Alligned Movement (NAM);
- Communication (propaganda) strategy of EC; Reliability of data provided by EC and its impact on demand and supply projections and trade;
- Socio-cultural, economic and political unification of Europe towards a United States of Europe, and future European society;
- Alternatives to the traditionally followed concept of 'Economic interdependence', and 'cooperation with EC' approach; Gandhian non-cooperation strategy i.e., 'neither trade, nor aid' strategy, and its positive, negative and systemic implications;

15 V.R. Gaikwad, "European Economic Community: Reactions Abroad and in India: Review of Literature: Part-II, Reactions in India: Some Questions", Working Paper No.872, IIMA, July 1990

- Gains to EC from the world-wide movement on environmental issues, and its implications to the third world countries;
- Collaboration among non-European communities in such matters as trade and science and technology, and especially in development of modern weapon systems and military matters, etc;
- High density and historical growth of European population and its implications for non-European communities;
- Reaction of natives and people of mixed races in New World countries to EC and its policies;
- Racial discrimination in Europe and the New World countries.
- Discriminatory immigration laws limiting admission of non-Europeans in Europe and countries controlled by people of European origin;
- Racial heritage and its influence on India's reaction to EC;
- Basic issues such as: Free movement of material goods, or free movement of people and cultures?
- Primary objective: *International Economic Order* or *International Social Order* for survival of humanity?

These twelve sets of questions fall in several academic disciplines and provide a broad framework for reviewing the works of Indian scholars, diplomats and columnists on EC. We are aware that 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 here may be considered as a sample, purely based on the Indian writings available to us. If others are encouraged to do more exhaustive reviews and generate more sets of questions in the same vein as ours, our purpose is served.

In this paper we shall see whether Indian thinking on EC has been in any way different from that of the western writers. Did it go beyond the traditional, stereotype ways of looking at European community? What basic issues and concerns dominated Indian thinking? What was their analysis of the events taking place in Europe? What was their reading of the future—the direction in which the things were likely to move? Were they interested only in discrete events or also concerned with the processes? What strategies and actions they recommended for India and the third world countries? What were their assumptions? and so on.

While reviewing the Indian writings on EC from such perspective, one has to appreciate that the early writers were, in a way, pioneers. They were for the first time dealing with the fast changing scenes in Europe. From the hindsight we can now judge how correct were the readings, analysis and perceptions of the early Indian writers. If they were not correct, where did they go wrong? This not to find fault with them, but to help us evolve alternate strategies to suit the changing circumstances. These, hopefully, may prove better than those traditionally followed all these thirty odd years in our dealings with EC.

4.0 General Observations on Indian Writings on EC

Reaction of Indian scholars to EC has been rather subdued, especially after United Kingdom joined EC in 1973. Even prior to this only a small number of books and articles were brought out by them. This, in a way, indicates either their indifference to and lack of curiosity about the happenings beyond their country, and/or lack of support and encouragement to do research on EC.

Most of the contributions on EC have been from political scientists, economists, diplomats and journalists; little or no contribution from such disciplines as sociology, anthropology, psychology, ethnology, history, public administration, communication and management sciences. Scientific and academic bodies such as ICSSR, ICAR, CSIR, UGC, were rather indifferent to happenings in Europe. So also were banking and financial institutions, such as RBI, IDBI and NABARD, and various national federations / associations / chambers of commerce and industry. Their interest was primarily limited to sending delegations to Europe occasionally. These bodies did not consider it worthwhile sponsoring/conducting in-depth research on EC on continuous basis. Ministries of Commerce, Industry, Foreign Affairs, Agriculture, Education etc., even Planning Commission, did not consider it important to establish centres for research on EC in universities and other academic institutions. These mainly depended on a couple of institutes, such as Indian Institute of Foreign Trade, and School of International Studies at J.N. University for research on EC. Various foreign agencies and foundations, which regularly sponsored research on all sorts of subject in India, did not take much interest in funding research by Indians on EC. All in all, encouragement and opportunities for Indian scholars for doing sustained, in-depth research on EC were practically nil.

This has been the state of affairs within the country. Those who went abroad for higher studies, on assignments to universities, and as consultant to various international

agencies, have not done any better either. Hundreds of Indian students went abroad for higher studies all these forty-odd years. Barring a few who could be counted on fingers, none wrote on topics pertaining to economy and society of rich countries. Invariably they wrote their thesis on Indian topics. This for three-fold reasons: *One*, the indifference about outside world which they picked up from their Indian teachers. *Two*, better chances of getting job in India if one has worked on an Indian problem. *Three*, interest of their guides abroad in Indian problems. Senior scholars who went abroad on teaching assignments suffered from four-fold handicap: *One*, their own limited objective behind undertaking the assignment, namely, earning some extra money. *Two*, work load at the universities where most of them were generally assigned teaching undergraduate classes. *Three*, their lack of experience in doing research on other societies. *Four*, difficulties in getting funds. As regards the Indian consultants in international agencies, they were generally assigned work dealing with their own countries or some other third world poor country, and never to any western, industrially advanced country. Even in sponsored collaborative research involving Indian and Western scholars, collaboration has been always one-sided. Both Indian and western scholars worked in India, and invariably there was no provision for reciprocal studies by Indian scholars in collaborating country. The end result is that while all these years Indian students, teachers, scholars, and consultants have been continuously providing the western scholars (and through them to their governments) massive, up-to-date data on a variety of Indian topics, we ourselves have been getting very little first hand information about the industrially advanced countries. What little we know is what they tell us about them.

In 1965 Professor Sovani pointed out: "*Colossal ignorance that prevails in India about the EEC and its achievements and what it augers for the future*".¹⁶ The colossal ignorance continued in the absence of sustained, in-depth, inter-disciplinary team research on EC in India. Lack of encouragement and sponsorship for such research is one reason for this state of affairs. However, when even the well-endowed premium institutes and universities failed to rise to the occasion, it indicates our indifference, lack of curiosity, parochial attitude and narrow vision, all contrary to the spirit of science and learning.

Most of the research on EC done in India, and reviewed in this paper, has been generally isolated efforts of individual scholars, mostly one-shot affair, often in response to some sponsored project or seminar or conference. Individual officers from the Ministries of Commerce and External Affairs also wrote occasionally on the subject, again mostly

¹⁶ N.V. Sovani, *The European Economic Community*, J.S.S. Institute of Economic Research, Dharwar 4, 1965, p.1 (emphasis added).

conference papers. Some of the institutions where scholars have done some work on the subject are Delhi School of Economics, Institute of Defence Studies and Analyses, Institute of Foreign Trade, Centre for the Study on Developing Societies, Indian Council for Research on International Economic Relations, and Centre for Policy Research. All these institutions are located in Delhi. Perhaps, the only place where sustained research on the subject has been done by the faculty is the School of International Studies at the J.N. University, also located in Delhi.

Recently, probability of some sustained work on EC has increased to some extent. In 1989, an agreement was reached between the Government of India and the European Commission on a cooperation and exchange programme between Indian and European management training institutions.¹⁷ According to the Memorandum of Understanding (MOU):

1. "The programme is designed to foster cooperation between India and EC countries and to generate broad collaboration across the whole field of management education.
2. It will achieve this aim by integrating during an academic year ten Faculty members from seven Indian management schools in a corresponding number of institutions of the European Community.
3. The objective is to develop a Faculty group with a thorough knowledge and experience of the management education system in the EC countries, of management methods in European companies and of some European markets.
4. It is expected that broad institutional links will be nurtured in the field of management education by such an exchange and cooperation programme.
5. Two such annual programmes will be run before an assessment is made in order to determine the conditions of the possible extension of the programme and formalization of appropriate institutional linkages."

Under the programme each Indian faculty would be spending about nine months in one of the seven selected European institutes. The programme will be articulated on a one to one relationship ("a binomial link between a European and an Indian Faculty engaged in a personalized mix of activities denominated as "Joint Cooperation Proposal" (JCP), including:

"Investigation of possibilities of permanent broad institutional links.

¹⁷ "Memorandum of Understanding Between the Government of India and the European Commission: Cooperation and Exchange Programme Between Indian and European Management Training Institutions, 1989, (mimeographed)

- Mutual information about management education problems in a specific field of interest
- Study of the organization of management methods in one or several given disciplines
- Joint research project (academic or applied) leading to possible publication in specialized Indian journals
- Teaching
- Joint consultancy project (on behalf of an Indian company or industry with an interest in the European markets)
- The presentation of case studies about Indian companies and the drafting of case studies about European companies."

The following areas of management have been indicated in the MOU: (1) strategic management, (2) international business, (3) international marketing, (4) technology choice and transfer, (5) management of technology, and (6) general management education.

The MOU expects that "exchanges in the above fields will generate a better understanding of the management patterns and the economies of the EC countries, thus contributing also to the development of Indo-EC trade."

Under this programme each scholar is expected to submit a draft JCP i.e., the activities proposed to be carried out during the visit abroad. It is not known whether GOI itself has a well-thought out plan of its own about gathering first-hand information on specific areas through these scholars. Participation in this programme implies an institutional as well individual commitment for a sustained interest in the above mentioned management areas specifically in Indo-European context. The programme started in 1989 and the first two batches have already returned. However we know little about the extent the commitment was honoured by the sponsoring institutes and the scholars. Hopefully, each scholar would provide us with a systematic and objective assessment of conditions in EC, and continue further research in his chosen area, thus reducing, to some extent, our 'colossal ignorance' about EC. In this, the question of objectivity is obviously of almost importance. There is always a danger of being unduly influenced and brain-washed by the glamour of the West. After all, it is the European Commission that is investing money, and not the GOI, and in return EC will expect to earn at least some goodwill. Incidentally, it will be interesting to know whether European Commission has this MOU only for management discipline or for other social and behaviour science disciplines as well. Since European Commission's fundamental objective is political unity of Europeans and since Common

Market is only a strategy to achieve this objective, it will be equally relevant to study EC from the perspective of other disciplines.

5.0 ICSSR: Survey of Research: Trend Reports

5.1 *Public Administration: Khilnani and Sinai, "Administration of External Affairs"*

How little was the work done on EC in India could be seen from the ICSSR's survey of research volumes covering disciplines of Public Administration, Economics (Macroeconomics), and Management published during 1975-77 period, and Political Science (International Relations), published in 1988.

In the public administration volume, the review article by Khilnani and Sinai, "Administration of External Affairs"¹⁸ does not deal with EC *per se*, nor dwell upon the merit or otherwise of Indian foreign policy. It, however, provides interesting insights in the procedures, policies and problems pertaining to policy-formulation process as well as administration of these policies during the Nehru phase (1947-64) and the post-Nehru period. These are relevant to our study. The authors observed that during the Nehru phase a certain element of planning in conducting foreign relations was present when every territorial division in the Ministry of External Affairs used to think in advance on a particular course of action within the broad ambit of policy laid down by the Foreign Minister and Prime Minister. The sudden passing away of Nehru created a void.

"Moreover, the revolutionary changes in international communications, the creation of vast economic Common Markets, greater political cohesion in Western Europe, blurring of ideological lines and the increasing momentum of detente enveloping large segments of nation states both in Europe and East Asia, greater scope for increasing people-to-people diplomacy and the wider use of aid and trade by developed nations as instruments of international diplomacy, all these factors which increasingly came into play after 1964, rendered planning and coordination vital for the administrative structure of every Foreign Office. Purposive planning of policy and coordinated execution of decision have become indispensable features of the Ministry of External Affairs. The Pillai Committee Report also noted the need to determine and plan policies in a balanced and integrated perspective... A process of creative and planned forethinking involves fashioning of different policy options to meet the varying permutations and combinations of moves and countermoves of other nations.... During the first eighteen years (1947-1965), hardly any research or methodological study on these aspects materialized in India, with the result that when the need became very pressing, both our academic circles as well as the official agencies, had to start almost *de novo*.¹⁹

18 Khilnani, N.M., and Sinai, P.L., "Administration of External Affairs: Trend Report", in *Survey of Research in Public Administration*, Vol.II, Allied Publishers, Bombay, 1975, pp.338-93.

19 *Ibid.*, pp. 361-2.

The authors reviewed about half-a-dozen studies on the subject published in post-Nehru period. Notable among these were: K.P. Misra's pioneering work, *Foreign Policy and Its Planning* (1970), J. Bandyopadhyaya's, *The Making of India's Foreign Policy* (1970), C.P. Bhambhri's, "The Indian Foreign Service" (1968), A. Appadorai's, *Essays in Indian Politics and Foreign Policy* (1971), and *Essays in Politics and International Relations* (1969). They also mentioned that 'Both Michael Brocher and Appadorai have also dealt at some length with the influence and impact of permanent factors (like geopolitical, economic, cultural, historical) influencing the evolution of foreign policy. They have adequately dealt with attitudes of Indian leaders formed during the independent struggle such as anti-colonialism, anti-racialism and distrust of monopoly capital.'²⁰ They also referred to importance of policy sciences which seek to fuse pure and applied research concerned with improving the policy process.' "It is a method of combining empirical research, (i.e., research based on observation and experiment) academic studies and practical experiences of a career diplomat and then evolving suggestions on a particular problem, which the top political leadership may utilize in the consideration of foreign policy problems. The inter-disciplinary approach has thus the merit of combining the fruits of study and research with the practical and pragmatic approach and assessment of a diplomat."²¹

They concluded, "On the whole, material produced on the administrative and other related aspects of international affairs by our intellectual elite in the universities is meagre. There are very few evaluatory and analytical research publications, (both in the empirical as well as in the academic sense) relating to foreign affairs in India by Indian scholars."²²

These authors also referred to Richard Kozicki's article in K.P. Misra's compilatory volume on *Indian Interest Groups and Indian Foreign Policy* which dealt with indirect and direct attempts made by such groups as the Federation of the Indian Chambers of Commerce and Industry and All India Muslim Legislators' Convention to influence, in a subtle way, the existing policies of the Government. They observed that, "However incipient pressure groups may be in India, they have increased their attempts in the post-Nehru period," and mentioned that "So far, only a few articles and papers have been produced on the likely growth of pressure groups in Indian democracy which indirectly

20 *Ibid.*, p.364.

21 *Ibid.*, p.365.

22 *Ibid.*, p.365-6.

hint at their activities in the domain of foreign relations.²³ They also referred to Dinesh Singh's *Towards New Horizons* which pleaded for a new economic diplomacy in the context of India's growing links with Asian countries, and commented that 'Hitherto, no full scale study on the impact of economic factors on policy formulating process has been made in India. Similarly, no book on foreign economic policy of India has been written by Indian scholars.'²⁴

In addition to above topics, the authors recommended that "the role of permanent factors such as geo-political, cultural and economic forces and of factors of personality should be studied side by side." Another important gap identified by them was in the field of predictive trends in policy patterns for the foreseeable future. "The futuristic approach", which is based on multi-dimensional assessment, taking into consideration the economic aspects, the socio-cultural trends, geo-political aspects, the behaviour pattern of politicians and statesmen and the likely emergence of power combinations in a particular area could be very useful in understanding the possible options open to India". In this connection they referred to D.H. Butani's *India of the 1970s* (1970) which was an attempt at futuristic analysis backed by factual data. They quoted, "Any important aspect of foreign policy can powerfully negate economic policy objectives", and observed that "The author's interpretation of part historical experiences as reflecting future trends appears to be rational and realistic."²⁵ In concluding the survey, they emphasised need for greater coordination among universities in India in the field of research in international affairs.

Khilnani and Sinai wrote to 14 universities in India inquiring about the nature of studies under preparation relating to the administration of foreign relations in India. Only the School of International Studies, J.N. University, and Department of Politics, University of Bombay responded positively. Out of 27 Ph.D. dissertations completed or under preparation, it seems, not a single one was on relations with EC.

23 *Ibid.*, pp.368-9.

24 *Ibid.*, p.369.

25 *Ibid.*, p.370.

5.2 *Macroeconomics: Manmohan Singh, "International Trade and Payments"*

In the discipline of economics (macroeconomics) we have Manmohan Singh's review article on "International Trade and Payments."²⁶ Some of his introductory observations are worth reporting here.

"In the past four decades, Western economics has developed powerful new techniques of analysis - micro and macro techniques, econometrics, simulations and programming techniques,.... developing countries no doubt stand to benefit from the free flow of knowledge across international frontiers. However, this great dependence of developing countries on Western economics is not an unqualified blessing for the growth of social sciences in these countries. As Paul Sweezy has recently pointed out, "the answers a scientist gets depend first and foremost, not on the methods he uses, but on the questions he asks." And in this respect one notices a growing tendency in Western economics to concern itself "with smaller and decreasingly significant questions, even judging magnitude and significance by its own standards." Moreover, the great stress that Western economics lays on techniques tends to give rise to a powerful bias in favour of problems which are amenable to such techniques even though they may not be socially significant. What is quantifiable need not be the most important problem.... Unfortunately, research workers in developing countries have often a strong temptation to concentrate their attention on the sort of problems that engage the attention of social scientists in the West particularly since their recognition in their own countries often depends on the appreciation they can win in the "advanced" countries.

In the past two decades, there have been a number of major developments in the pure theory of international trade. However, with the exception of the work devoted to the analysis of "second best" problems in trade policy and the development of the concept of effective tariff protection, most contribution to trade theory are devoid of any practical relevance.²⁷

Manmohan Singh further observed:

"Right from the beginning, Indian planners have recognized that planning of foreign trade has got to be an integral part of the national development effort. However, ever since 1950, they have tended to view the problem of foreign trade planning largely in terms of management of the balance of payments. The role of foreign trade in improving the efficiency of resource allocation and in securing greater return from internal resources has not received adequate attention in the official documents on Indian planning."²⁸

The author divided and reviewed the published work on India's international trade and payments in the following groups:

- (a) Studies of the structural basis of India's foreign trade.

²⁶ Manmohan Singh, "International Trade and Payments: Trend Report", in *Survey of Research in Economics*, Vol. II, *Macroeconomics*, Allied Publishers, Bombay, 1976, pp.359-85.

²⁷ *Ibid.*, pp.359-60.

²⁸ *Ibid.*, pp.360-1.

- (b) Analysis of India's export performance.
- (c) The progress of import substitution.
- (d) Income and price elasticities of demand for India's foreign trade.
- (e) Evaluation of foreign trade policies: export promotion, import controls, tariffs, and exchange rate changes.
- (f) The economics of external assistance, including private foreign investment.
- (g) India's economic relations with various countries: Eastern Europe, European Economic Community, and the Asian countries.

On the last topic, which is of concern to us, Manmohan Singh has referred to the works of six scholars pertaining to trade with the socialist countries of Eastern Europe. These were: Surendra Dev, Manmohan Singh, Sunanda Sen, Sumitra Chisti, Dharam Narain, and Asha Datar. On India's economic relations with countries of the European Economic Community he referred to only two studies in the text: one by himself, *India's Export Trends*, (1964), and the other by Dharma Kumar, *India and the European Economic Community*, (1966). Study by D.K. Rangnekar, *India, Britain, and the European Common Market*, was only mentioned in the bibliography.

About his study, he mentioned that it had a limited scope of analysing the probable effects on India of the introduction of the common external tariff and the entry of the U.K. into the Common Market. On Dharma Kumar's work he mentioned that it "is a comprehensive study of the impact of E.C.M. on India - in both political and economic spheres. A major finding of the study is that the formation of the Common Market has had little perceptible impact on India's trade with the Six and there is no reason to believe that in the near future the common market will make trading conditions much more difficult for India than they would have been in its absence. Another significant conclusion of the study is that with the entry of the U.K. into the Common Market (and if Commonwealth preferences currently enjoyed by India in the U.K. were to be replaced by U.K. granting preferences to the Common Market countries), India's exports to the U.K. would fall only by about 10 per cent, though this could be offset by more liberal aid and trade policies by the U.K., should its growth prospects improve by joining the Common Market."

He further wrote: "The European Community is the world's largest trading area. The community's influence in world affairs will further grow with the entry of the U.K. Besides, India has had persistent trade deficits with the E.E.C. The adoption by the E.E.C. of a system of tariff preferences in favour of manufactured exports from developing countries

creates opportunities for India to improve her trade balance. Thus, there is need for more detailed studies of economic relations between the E.E.C. and the developing countries, including India.²⁹

On the India's economic relations with the Asian countries, he observed that it had not received adequate attention from scholars in India. He referred to only one work on the subject that of B.N. Ganguli, *India's Economic Relations with the Far Eastern and Pacific Countries*, (1956), which according to him, "contains an extremely valuable account of the evolution of economic development in the Asian and Pacific countries in the present century and of India's economic relations with them." He emphasised the need for fresh work in this area, including an examination of the problems and prospects for regional economic cooperation among Asian countries.

5.3 Management: C.P. Rao, "Marketing"

In the discipline of Management, we have C.P. Rao's survey of research on marketing which covers, among other topics related to marketing, export marketing.³⁰ While EC *per se* is not mentioned in the text, in the bibliography there is a section devoted to publications on EEC.³¹

On export marketing research, Rao observed that there were many studies following "macro approach to the problems of export trade and concerned with the directions, problems, and prospects of the country's exports." There were also a large number of export commodity studies as well as export market studies. "In commodity studies the usual approach is to identify the direction of trade and changing trends. These studies also deal with the country's market share in the international market and with the typical problems experienced by the exporters.... The other type of studies can be called 'export market' studies in which the characteristics of a given export market (e.g.. Sudan, Australia, U.S.A., U.K., Iran, etc.) are described at length."³² "The real gap in export marketing literature in the country is thus in the area of export marketing practices... Such studies of actual management practices may lead to pin-pointing the managerial deficiencies in the conduct

29 *Ibid.*, 374-5.

30 C.P. Rao., " Survey of Research on Marketing: A Trend Report", in *Survey of Research In Management*, Vol.II, Vikas Publishing House Pvt. Ltd., New Delhi, 1977, pp.1-147.

31 *Ibid.*, pp.110-111

32 *Ibid.*, pp.15-6

of the export trade in more operational details and hence enable the researchers to make meaningful suggestions for improvement. In the absence of such research work, discourses and studies on export marketing in the country are amounting to mere polemics in which neither the academicians nor the practitioners have any conviction."³³

Author's bibliography mentioned three books on EC, one of which was by Dharma Kumar referred to earlier. The other two books were: Indian Chamber of Commerce (World Trade Development), *India in World Trade*, Calcutta, 1967, 48 pp., Rs. 5.00; and Nigam, R.S., *A Study of European Common Market and Its Impact on the Indian Foreign Trade*, Agra, Agra University, 1962, Ph.D. Thesis. According to Rao, Nigam's book concluded "that besides the state's indifferent attitude towards E.C.M. the foreign trade has suffered due to the dismantling of the tariffs among the members of the European Economic Community and the still existing apathetic attitude towards Indian goods."³⁴

In addition to these three books, Rao's bibliography included seven articles published during 1961-67 period. Five of these were primarily concerned with the likely implications of Britain joining the Common Market with special reference to India, one dealt with foreign trade of Common Market, and one referred to Gatt with special reference to India.

These surveys in Public Administration, Economics and Management disciplines indicate that between 1955-1967 very little work was done on EC by Indian scholars. Incidentally, there were a few other works published during this period which were not reported in these surveys. We have tried to cover this gap in our paper.

5.4 *Political Science (International Studies) Prasad and Phadnis, "Area Studies"*

In the discipline of Political Science we have a trend report on 'Area Studies' by Bimal Prasad and Urmila Phadnis.³⁵ From their report we learn that there were not many Indian studies relating to Europe.

"Even after the achievement of independence, when studies relating to countries other than India began, attention was first given to our neighbours in Asia, then to Africa, the United States, and the Soviet Union, in that order, and the turn of Europe came

33 *Ibid.*, pp.16-7

34 *Ibid.*, p.111

35 Bimal Prasad and Urmila Phadnis, "Area Studies in India: A Trend Report", in ICSSR, *Survey of Research in Political Science*, Vol.5: *International Studies*, Allied Publishers Pvt. Ltd., Bombay, 1988, pp.71-202. See also Appendix D: "Indian Writings on European and Soviet Studies" by R.P. Dua, pp.188-98

at the very end. It is symbolic of this state of affairs that studies relating to Europe were the last to be taken up at the Indian School of International Studies; even today there is no separate department of European studies either at the ISIS or at any other university institution. It is not, therefore, surprising that we have a much smaller number of works by Indians relating to Europe than those relating to Asia or Africa.³⁶

So we now know the reason for the "colossal ignorance that prevails in India about the EEC and its achievements and what it augers for the future" as pointed out by Professor Sovani in 1965.

While there were not many Indian studies on EC, some Indian scholars started taking interest in the problem of European unity as early as 1949. The authors reported Mookerjee's two articles,³⁷ the first dealing with the problem of European unity at the end of the Second World War, and the second with the nature of the peace settlements. According to them these 'may fittingly be described as marking the beginning of scholarly writings on Europe by Indians'.³⁸ However, the next Indian publication on European unity/integration issue appeared perhaps only after twelve years, i.e. after 1960.

The first to appear was of Ashgar H. Bilgrami³⁹ which discussed the extent to which the Commonwealth had influenced British attitude towards the European union issue. Bilgrami's conclusion is of interest to us because it tells us how difficult it was, and still is, to fathom the British attitude/policy towards EC and how far one can go wrong. According to Prasad and Phadnis, "His main conclusion, however, has now become outdated, for, writing more than ten years ago, he affirmed that Britain's reluctance to accept full membership of any political or economic union with the continental powers was an indication of the extent to which "Commonwealth consultation" influenced her policy."⁴⁰

Other publications on European union issue reported by the authors were that of Adarkar⁴¹ and Chopra.⁴² While Adarkar wrote on the problem of European integration

36 *Ibid.*, p.121

37 Girija K. Mookerjee, "Steps Towards European Unity", *India Quarterly*, 5, July-September 1949, pp.235-43; "Peace Settlements in Europe Since 1945", *India Quarterly*, 6, October-December, 1949, pp.304-17

38 Bimal Prasad and Urmila Phadnis, *op.cit.*, p.121

39 Ashgar H. Bilgrami, *Britain, the Commonwealth and the European Issue*, Geneva, 1961

40 Bimal Prasad and Urmila Phadnis, *op.cit.*, p.124.

41 B.P. Adarkar, "Political Aspects of European Integration", *India Quarterly*, 19, April-July, 1963, pp.123-50.

as it appeared in the early sixties, Chopra discussed the motivations behind French opposition to Britain's entry into the EEC. In his second article Chopra brought out the background and significance of the Franco-(West) German Treaty of 1963.

Prasad and Phadnis reported a number of studies which examined the implications for India of the ECM, particularly in the event of Britain being able to join it. Subimal Mookerji's was perhaps the first serious study of this subject.⁴³ This was followed by K. Venkatagiri Gowda,⁴⁴ who made out a case for a Commonwealth Common Market. D.K. Ranganekar's⁴⁵ was another analytical study on the subject, providing an assessment of the competitive positions and prospects of India's major exports. Jahar Ray's article⁴⁶ traced the events leading to the formation of EFTA and analysed its impact on India's trade. R.S. Nigam's⁴⁷ book covered impact of ECM on India's foreign trade. Nigam also discussed the various problems which might arise in the eventuality of Britain's entry into the Common Market. Dharma Kumar⁴⁸ in her book presented comprehensive study of all aspects of the impact of the formation of the EEC on India. In her article⁴⁹ she covered the limited but important question of the price which India would have to pay in the event of Britain joining the Common Market. All these studies were full of statistical data.

Works of Dharma Kumar and Ranganekar were also covered by Manmohan Singh in his trend report on 'International Trade and Payments', and that of Nigam by Rao in his 'Survey of Research on Marketing'. Such contributions of economists were acknowledged by Prasad and Phadnis. In their summing up they observed:

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- 42 H.S. Chopra, "France, Britain and West European Unity, 1958-63", *Foreign Affairs Reports*, 13 May 1964, pp.57-64; "Significance of the Franco-German Cooperation Treaty (1963) in France Foreign Policy", *International Studies*, 6, July-September 1964, pp.87-99.
- 43 Subimal Mookerji, "India and Common Market", *India Quarterly*, 15, October-December, 1959, pp.382-92.
- 44 K. Venkatagiri Gowda, *The European Common Market and India: Basic Issues Reexamined*, Mysore, 1962.
- 45 D.K. Ranganekar, *India, Britain and European Common Market*, New Delhi, 1963.
- 46 Jahar Ray, "The European Free Trade Association and Its Impact on India's Trade", *International Studies*, 3, July 1961, pp.25-44.
- 47 R.S. Nigam, *A Study of the European Common Market and Its Impact on India's Foreign Trade*, New Delhi, 1964.
- 48 Dharma Kumar, *India and The European Economic Community*, Bombay, 1966.
- 49 Dharma Kumar, "India and the Common Market: The Price of British Membership", *Round Table*, 225, January 1967, pp.35.41.

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"Our survey of works by Indian scholars relating to Europe shows that we are much better off in economic than in political studies.... As far East European countries we have hardly any significant political studies relating to them. With regard to our relations with European countries, the situation is again much better in the economic than in the political field. Thanks to the widespread concern aroused by the talk of British entry in the European Common Market we have a number of studies dealing with its possible consequences for Indian economy. On the other hand, we do not have many significant studies relating to our relations with the countries of Europe, West or East, in the political field.⁵⁰

5.5 *International Studies: Mahendra Kumar, "Foreign Policy"*

ICSSR's 'International Studies' volume contains a chapter on "Indian Writings on Foreign Policy" by Mahendra Kumar.⁵¹ While this scholarly work does not refer directly to specific Indian studies on Indian foreign policy and its effect on India's relations with EC, or Indian studies on foreign policy of the EC, it does provide us with many interesting insights in the structure of Indian thinking that influenced the research on the subject.

The author first made a distinction between the foreign policy of a country and its foreign relations. "Whereas foreign policy denotes the sum-total of a country's ways and means and a thought-out course of action to control the external environment, foreign relations refer to the actual state in friendship - hostility continuum resulting from the interaction of the foreign policies of different countries.⁵² He also pointed out:

"The study of research on foreign policy means nothing but an analysis of foreign policy behaviour. We take it that the essence of foreign policy behaviour lies in the effort of a government to control the external environment in such a way as to ensure the continuance of the desired situations and alter the undesired situations to its maximum possible advantage. It is obvious, then, that foreign policy behaviour covers a wide range of activities and an extremely broad area of linkages. It includes the assessment of an international situation, the communication of that situation to the community, the fixation of short-term and long-term goals and objectives, and the concrete decisions made in response to significant international development."⁵³

After judicious selection of such writings which could be really called studies on foreign policy, the author assessed their quality following the well-established five

50 *Op.cit.*, pp.125-6.

51 Mahendra Kumar, "Indian Writings on Foreign Policy: A Trend Report", in ICSSR, *op.cit.*, pp.203-43 (*Note: While quoting Mahendra Kumar in our paper we have not given the details of his numerous references to save space.*)

52 *Ibid.*, p.207.

53 *Ibid.*, p.208.

approaches, namely, the systemic, the environmental, the societal, the governmental, and the ideosyncratic or psychological.

Regarding the main principles of Indian foreign policy, he pointed out that these were laid down by Jawaharlal Nehru in his broadcast of 7 September 1949 and on some other occasions during the first few years of India's independence. These principles were pursuit of peace, faith in the United Nations, freedom of dependent peoples, opposition to racial discrimination, cooperation with neighbours, association with the Commonwealth, the stress on economic development, and the desire to follow an independent policy. "Even after Nehru's death, the Indian approach to the study of India's foreign policy has been dominated to a great extent by an overdue emphasis on these principles."⁵⁴

While analysing Indian studies from the angle of systemic approach, the author found "clear dependence upon the systemic approach which asserts that states behave as they do because of the nature of the international system being what it is... But they have ignored the other aspect of that approach, namely, that the adjustment of power relationships is the essence of foreign policy". He further observed:

"If we adopt the systemic framework to study India's foreign policy and view that policy as developed on the basis of a sound assessment of the international reality, we have the responsibility either to analyse the behaviour by which the power relationships were sought to be balanced by Indian decision-makers or to establish that although India's policy-makers took into account the nature of the existing international reality while formulating their foreign policy, they did not regard the traditional method of power balancing to be the only method of dealing with that reality. In the latter case, we have the additional responsibility of analysing that behaviour of decision-makers which reflects an effort to deal with that reality in a new, non-traditional way. Unfortunately, however, Indian scholars, barring one or two exceptions, have generally tended to ignore these responsibilities. the response of our scholars to the demands of the above responsibilities has been either a sentimental praise of India's non-alignment or a vain effort to assert that India's foreign policy represents a fresh, non-power approach to international relations without presenting a convincing analysis of the "non-power" character of India's approach".⁵⁵

Analysing the studies under the idiosyncratic approach the author observed that while examining the basic principles or factors of India's foreign policy, Indian scholars had mostly depended upon an uncritical acceptance of Nehru's statements of these principles. While it was indeed true that for a long time India's foreign policy was, in fact, Nehru's foreign

54 *Ibid.*, p.208.

55 *Ibid.*, pp.209-10.

policy, "we find that by and large Indian scholars have also adopted the ideosyncratic approach or what may be called the "greatman" explanation theory, a theory which maintains that the roots of foreign policy behaviour can be seen only in terms of the personal aspirations, anxieties, and perceptions of the principal leaders of the country."⁵⁶

The author found also the dominance of environmental-societal approach in Indian writings. However, the adoption of these was as partial as the adoption of the systemic and ideosyncratic approaches. According to him, it was a common feature of Indian writings to emphasize that the foreign policy which Nehru formulated for India was justified not merely by the nature of the existing international system but also by the nature of the economic and geographical position of India and her traditions and culture. He explained:

"The environmental approach subsumes a long tradition in foreign policy analysis and insists that the foreign policy behaviour must be projected from the standpoint of the non-human environmental characteristic of a state. The societal approach, on the other hand, views the foreign policy behaviour as the external manifestation of the domestic societal forces.... Instead of establishing a meaningful correlation between India's traditions and domestic compulsions and the origins of India's foreign policy, we have generally fallen to the temptation of repeating the cliché that India's foreign policy originated in accordance with the genius of India's rich cultural heritage and with the age-old faith in the principles of peace, nonviolence, and cooperations. There is nothing wrong in analysing India's foreign policy in the framework of India's past traditions. But that analysis should be based on sound reasoning and not on emotionalism."⁵⁷

Mahendra Kumar observed that during 1950s Indian writings were largely descriptive. He pointed out,

"Description is indeed the first stage in a scientific enquiry. But it does not meet all the requirements of a scientific inquiry which remains incomplete unless it goes beyond the stage of description to offer logical explanations and make reasonable predictions in the form of "if-then" propositions. Descriptions, explanations and predictions are thus the three important elements of scientific analysis. But explanation is more important than both description and prediction. For, whereas description involves a careful observation of facts, explanation involves the hazardous task of establishing a meaningful relationship between facts and several factors of an abstract nature. And once this meaningful relationship is established, prediction becomes only a problem of presenting theoretical formulations. Thus description without explanation is meaningless and prediction without explanation is impossible.

It is this element of explanation that has been conspicuously missing from our study of India's foreign policy during the initial years (1950s) and this has obviously been

56 *Ibid.*, p.210.

57 *Ibid.*, p.211.

the result of the failure of Indian scholars to discharge the various academic responsibilities to which we have referred to earlier.⁵⁸

After describing the state of Indian thinking the author provided a number of explanations. Some of these are:

"Thus, the real problem with the Indian writings produced during the initial phase was that they drew their inspiration from the face value of the professed principles as also their conclusions from within the framework of those principles... Almost all of them studied India's foreign policy with a sympathetic attitude and tended to eulogize the principles of international cooperation and non-alignment."⁵⁹

"Indian scholarship on India's foreign policy suffered from too much dependence on the idealistic element and from an almost total neglect of the realistic element".⁶⁰

"Our study of India's foreign policy began to reflect some objectivity after the Chinese invasion in 1962. The studies... produced... during the post-1962 period show at least a great conviction that power was as relevant a factor to India's foreign policy as to any other country's."⁶¹

"Our studies on the foreign policy of other countries have been mostly dominated by a simplistic area study approach, although we have not yet developed an understanding as to what exactly is meant by such an approach."....

"First, our writings on the foreign policy of countries other than India are essentially descriptive and historical. They are, in fact, much more descriptive than our writings on the foreign policy of India. Secondly, national security as the basis of foreign policy finds a much greater emphasis in the foreign policy studies of other countries than in the foreign policy studies on India. Thirdly, our scholars, writing on the foreign policy of other countries, have shown a much greater awareness of the significance of the domestic compulsions on the external environment than those who have written on India's foreign policy."⁶²

Under his "General Observations" the author provides us with further insights in our ways of doing research on foreign policy.

"In fact, our knowledge on foreign policy has been non-cumulative... Our survey clearly demonstrates that a large bulk of the literature on foreign policy produced by Indian writers is essentially in the nature of a history of foreign policy.... The dominating trend has been that each researcher starts afresh without looking into the

58 *Ibid.*, pp.211-12; figure in parenthesis added.

59 *Ibid.*, p.213.

60 *Ibid.*, p.214.

61 *Ibid.*, p.215.

62 *Ibid.*, p.232.

results of past inquiries... rarely an attempt is made to establish links between the old inquiries and the new. ... A careful perusal of the Indian literature on foreign policy would show that it contains some rich ideas and incisive statements about foreign policy behaviour. But their value as scientific propositions is greatly reduced only because they have not been presented in the form of "if-then" propositions".

"There has been virtually no attempt whatsoever at adaptation of theories, propositions, and methodologies, and conceptual frameworks developed in the field of international relations research."

"What has been flourishing in the name of international studies in India is primarily a study of diplomatic history..."⁶³

Mahendra Kumar's judiciously selected eighty odd Indian writings on foreign policy covered the period upto 1971, though ICSSR's 'International Studies' volume was published in 1988. About eighty-eight writings were published after 1950, i.e., after EEC was launched with the declaration of Schuman Plan; about seventy-six were published after Monnet, the father of the Common Market, a symbol of post-war European thinking, announced that 'the United States of Europe have already begun'; About seventy-two were published after the Treaty of Rome was signed in 1958. One would expect thirteen to twenty-one years to be a fairly long period to attract attention of the scholars of foreign policy and foreign relations towards the changes of great historical significance taking place in Western Europe. And yet, this has not happened as we learn from the trend report on 'Area Studies' of Prasad and Phadnis, and on 'Foreign Policy' of Mahendra Kumar. Or perhaps, we are wrong in our expectation; perhaps, thirteen odd years is not sufficiently long period to change the basic orientation of Indian scholars whatever may happen in Europe or whatever Europeans may do. Or, perhaps, John Brooks was after all right when he observed, "Shrewdly, the Treaty of Rome set-up the process by which the Common Market might become a supra-national state--surely, in the light of history, the most unlikely feature of the whole enterprise--in such a way that progress would be not only gradual but more or less imperceptible";⁶⁴ perhaps Indian scholars were not sufficient shrewd to realise the gradual and imperceptible process of European unification. Or, may be we are wrong here also; perhaps they were sufficiently shrewd to realise the peril of toppling the apple cart of familiar, convenient theories and ideologies which carried them to their desired destination. We do not know at this stage whether the state of thinking of Indian scholars on foreign policy matters changed appreciably after Mahendra Kumar' trend report. We have no pretensions of being an expert on foreign policy studies, not even being a student of the subject. But after going through

63 *Ibid.*, pp.234-35.

64 See reference no.3.

the two trend reports, and especially that of Mahendra Kumar, we feel that in spite of his report things would not have changed much, and would not change without a shock treatment, a draconic experience, similar to the Gulf-war.

This feeling of ours is not a misplaced one, as we will see from the very candid and critical article of K. Subrahmanyam on 'Indian studies on defence policy and analysis', which follows immediately after Mahendra Kumar's article in the ICSSR volume.⁶⁵

5.6 *International Studies: K. Subrahmanyam, "Defence Policy and Analysis"*

At the time of writing the trend report on 'Defence Policy and Analysis', K. Subrahmanyam, an IAS officer, was Director of Institute of Defence Studies and Analysis. He covered Indian writings upto January 1973. Like Manmohan Singh and Mahendra Kumar (whose reports we have discussed earlier), Subrahmanyam also critically analysed the orientation of Indian scholars. Like Mahendra Kumar, he also did not refer directly to any specific Indian studies of defence policy and analysis relating to Europe. However, his observations and explanations are very pertinent to our study.

Subrahmanyam's observations on the real source of threat to Indian security are worth reporting here.

"Jawaharlal Nehru especially had a very clear perception about the global strategic environment that was likely to develop in the period after the end of the Second World War. In fact the policy frame he had formulated for India not only held good for the past 25 years, but also is likely to hold good for many more years to come. However, the major change that had come about in India's security environment (with) the creation of Pakistan did not attract adequate attention even of Jawaharlal Nehru. This is all the more strange since India was forced into a war over Kashmir within a few months of the transfer of power. Not that Pakistan was not seen as a security threat by herself, but what was not readily perceived was that in Pakistan an instrument had been created for foreign interventionism in the subcontinent and *that Pakistan by herself did not in fact represent any significant security threat to India. That the greater threat stemmed from the incentive to the major powers of the world to make use of Pakistan as an instrument of intervention had not been fully understood in the country.*"⁶⁶

Subrahmanyam did not specify who these 'major powers' were, a common habit of our intellectuals and political leaders. Nonetheless, the point he made about the major powers was very pertinent. It is in contrast to what our common public, even intellectuals and leaders believe, that Pakistan and China with whom we fought wars are our real,

⁶⁵ K. Subrahmanyam, "Defence Policy and Analysis: A Trend Report", ICSSR, *op.cit.*, pp.245-320.

⁶⁶ *Ibid.*, p.245 (emphasis added).

greatest and permanent enemies, while all great powers, the United Kingdom, France, Germany, in fact all erstwhile colonial powers, the United States, and the Soviet Union, are our close allies and friends.

Why this love for alliance with erstwhile colonial powers? Subrahmanyam provides the following explanation.

"Our elite who have had a remarkable tradition of continuity have never exhibited any strong sense of sovereignty. They were prepared to accept any intruder who rode into the Indo-Gangetic plains at the head of a few hundred horsemen and subsequently were prepared to serve faithfully the British Raj. It is this deeply ingrained spirit of collaborationism which was responsible for the long period of foreign rule and one must attribute the lack of adequate thought on matters regarding defence in the two decades after our independence to this burden of history and not to Gandhian and Nehruvian tradition... One may trace a continuity of collaborationist tendencies inherited from the period of the British Raj in the subsequent pleas in the fifties and sixties of various sections of our elite that India should try to safeguard her security by a policy of alliance with the erstwhile colonial powers".⁶⁷

Subrahmanyam observed that deterrence, proxy war, limited war, low-level confrontation were all part of cold war spectrum of international politics in which unlimited war was an extreme end. According to him, "Most of those who sought to preoccupy themselves with such problems simply borrowed the assessment made elsewhere in the world and did not seek to analyse objectively our own environment, our own interests, and the interest of other powers in this area".⁶⁸

He traced the lack of independent thinking on policy matters on the part of the elite to the general tendency, established from the pre-independence period, to leave the study and interpretation of foreign policy mostly to Jawaharlal Nehru. "Our elite in true monarchical traditions expected that these studies should be encouraged by a person in power and were not bothered about developing these on their own and if necessary fight for their right to develop such studies."⁶⁹ He further observed:

"Still worse was the case in respect of defence studies. The military-bureaucracy inherited from the British Raj had some familiarity with military operations, but none whatsoever in regard to defence management or defence policy-making. Perhaps, with a view to covering up this weakness, a certain amount of esoterism was

⁶⁷ *Ibid.*, p.247. (emphasis added)

⁶⁸ *Ibid.*, p.248.

⁶⁹ *Ibid.*, p.248.

developed in respect of defence problems to prevent awkward questions being raised.⁷⁰

Subrahmanyam often expressed that Nehru's policy of non-alignment was not adequately understood. For example, he mentioned that our *elite* - politicians, diplomats, civil servants, soldiers, and academics - had very simplistic view, or erroneous perception about the strategy of national defence. Due to these "the sophistications of Prime Minister Nehru's policy of non-alignment or the implications of modern weaponry and military technology for the currently played game among nations have not been adequately understood."⁷¹ At other place he mentioned about the "wide gap in communication, interaction, and understanding of the world strategic environment as well as of India's security problems between the Prime Minister and the rest of the bureaucracy as well as the political executive". According to him Nehru was a 'practitioner of *real politik*' and there was a wide gap 'between Nehru's perceptions and of those who had a very simplistic view of him as an impractical idealist'. He further observed that 'all analysis of Nehru's perceptions and policies in this country have been either adulations or paraphrased western views about him'. While praising Nehru, the author pointed out that Nehru made no attempt at educating his political colleagues and bureaucracy to go along with him.⁷² This may be one of the reasons for general ignorance among leaders of opinion in the country about the happenings in the world and their implications for India as observed by the author.

"If one studies the views and the policy prescriptions of the various leaders of opinion in this country in the late forties and fifties and even in the sixties and views them against the background of international developments as they have unfolded since then, one is amazed at their *very simplistic understanding of the world situation in terms of "free world" against "communist world", the "mutuality of our interests" with the "free world," the "threats" to this country's security from "international communism", etc.*"⁷³

Subrahmanyam's explanation of such simplistic understanding of our elite about the world situation was as follows:

"The entire bureaucracy, both civil and military, were British-trained, and in outlook, mores, and aspirations were wholly western-oriented. Having spent their impressionistic and formative years of their careers under the British, they retained enormous admiration for the western value systems and judgements. The Indian *elite*

70 *Ibid.*, pp.248-9.

71 *Ibid.*, p.247.

72 *Ibid.*, pp.249-50.

73 *Ibid.*, p.250; emphasis added.

as a whole in spite of Gandhi's attempt at putting them through a cultural revolution, by and large, remained a collaborationist one. This resulted in a dichotomous functioning of the Indian *elite*. Dominated by the personality of Nehru and with their ingrained monarchic traditions they went along with him, but under their skin they were essentially pro-western in approach. The bureaucracy which was part of this elite, therefore, tended to idealize non-alignment as an end-objective, romanticize India's role in the international arena served by and large as public relations men rather than as policy-makers. It became easier for them to explain the policy of non-alignment in terms of Gandhian traditions and the Indian heritage dating back to the Buddha, rather than to analyse deeply the relevance of non-alignment as an optimum strategy for India in the prevalent international environment. The heads of state and government and foreign and defence ministers are generally expected to make platitudinous statements and pronouncements unless they decided deliberately to use a particular occasion for a policy announcement. Such platitudinous speeches reveal certain broad objectives, values, and the style of politics and very rarely constitute policy analyses. Unfortunately, in this country such a sophisticated view about the statements of political leaders has been lacking. The platitudinous pronouncements were treated as policies at all levels including professional bureaucratic levels where one would expect a sense of sophisticated distinction... *the tendency to treat such platitudinous pronouncements as policy not only continues to persist but has become these days even more self-defeating than in the days of Nehru*".

He further observed:

"To a considerable extent the *elite's* opinion were moulded by the popular western journals such as *Time*, *Newsweek*, and *Readers' Digest* or by the despatches in our newspapers which were originated and transmitted by the western wire services..... it is not surprising that the *elite* in this country had a western-oriented bias."⁷⁴

At the end of his 'Introduction' to his trend report Subrahmanyam wrote:

"In the above analysis an attempt was made to explain why there was very little Indo-centric thinking on defence policy in this country. This is to be attributed mainly to a lack of Indo-centrism among our *elite* and their continued intellectual dependence on the West. If we are to explore the possibilities of developing studies in this area, it is necessary to understand the factors that inhibit as well as encourage such studies in our environment."⁷⁵

The next two sections of the trend report were written in the same vein, reinforcing author's above explanations for poor state of research in defence policy and analysis. He came down rather heavily on civil servants, including the retired civil servants, especially Indian members of ICS. For example, in the literature produced by the retired civil servants and service officers he found a wide gap between their points of view and those of the government. He mentioned about 'the lack of expertise and knowledge among most of the senior officials, and their advice being mainly based on generalist considerations'; 'happy

⁷⁴ *Ibid.*, pp.250-1; emphasis added.

⁷⁵ *Ibid.*, p.253.

ignorance of the bureaucracy of the enormous amount of information publicly available'; our senior officials being 'more easily accessible to foreign scholars and journalists, especially American and British, than to Indian journalists'.⁷⁶ Regarding external influences operating on bureaucracy he observed:

"The continuous interaction of our bureaucracy with the diplomatic community in the capital as well as with various foreign scholars and journalists gives them an apparent sense of being current with global developments and different international points of view. This and a glance through a few western newspapers are the basic standard equipment of the bureaucracy.... Recently the Secretary of Home Affairs talked in a Rotary Club meeting about the various beguiling ways in which our academic and political institutions could be penetrated and influenced by agencies of external powers. It will be a useful and interesting study to compile data on the attitudes and perceptions of our bureaucracy, explore their origin, and correlate them with the influence to which they are regularly subjected. Not all of them have the intellectual equipment, vigour, and stamina to withstand the beguiling influence of such continuous external contacts."⁷⁷

The author was also critical about political leaders showing preferences for foreigners. No Indian scholar could have obtained the facilities and the material from Prime Minister Nehru and Krishna Menon that Michael Brecher was able to.... After the war of 1971, foreigner writers were extended facilities by our official agencies, but it is extremely doubtful whether they would have accorded similar facilities to Indian writers."⁷⁸

As regards military bureaucracy he observed, "The external influence on the military bureaucracy - the western influence - is stronger, though their contact with the diplomatic community, western journalists, and scholars are much less than those of the civil bureaucracy. The main reason for this is that they do not read anything except the western popular journals - *Time*, *Newsweek*, *Readers' Digest*, *Economist*, and the like and the so-called apolitical traditions of the armed forces have in fact been the British - and western-oriented ones which looked upon left-of-centre policies as dangerous subversion."⁷⁹

More of less similar criticism was extended to the Indian press - 'depends largely on the western wire services for news'; senior editors more familiar with the western world and are generally oriented towards it'; 'have close links with big business houses'; 'continuously

76 *Ibid.*, pp.260-64.

77 *Ibid.*, p.265., for further observations on ICS see p.274.

78 *Ibid.*, p.265.

79 *Ibid.*, p.266.

subjected to the influence of prestigious *Time, Guardian, Financial Times, New York Times, Washington Post* etc.; for contact with the outside world show 'natural preference for the western world - especially of British and the United States'. He, however, added: "though a considerable amount of western orientation is still perceptible, increasingly the comments and analysis are becoming Indo-centric in the press and the traumatic events of 1971 appear to have contributed significantly to this healthy Indo-centrism".⁸⁰

As regards the academic community, he observed that their "contributions to writings on defence policy and defence analysis were not significant till 1968. Thereafter the establishment of the Institute for Defence Studies and Analyses has had a direct impact".⁸¹ According to him contribution of academic community was remarkably limited, and "good portion of this literature forms chronological narratives and offer very little by way of policy analysis or projections". "The teachers depend solely on western literature, with the result these departments at the universities have by and large served to project the western points of view."⁸² "Those who are looking forward to fellowships abroad, career advancements, and fringe benefits such as examinership cannot afford to develop thinking which is unconventional and therefore prefer to toe the line in regard to the accepted doctrine in the institution."⁸³

For all these reasons, according to him, 'there has not been much of literature of good quality on defence policy and defence analysis'.⁸⁴

5.7 *Summing Up*

We looked for Indian studies on EC in ICSSR's surveys of research in various social science disciplines covering the period up to 1970-71. In four disciplines, namely, public administration, management, economics (macroeconomics), and political science (international studies), we found some references to the topic of our interest. Findings from six 'Trend Reports' from these four disciplines have been presented above. In our study of other disciplines such as anthropology, demography, geography, psychology, sociology, etc. we did not find any reference to Indian studies on Europe, European society or EC.

80 *Ibid.*, p.268.

81 *Ibid.*, p.269.

82 *Ibid.*, p.270.

83 *Ibid.*, p.271.

84 *Ibid.*, p.272.

What do we learn about our subject from our study of the six 'Trend Reports' covering numerous research studies in six different subject areas falling under four different disciplines, and prepared by seven eminent scholars (including a co-author in one case)? Not much, since these scholars did not find many Indian studies on Europe or EC; and a lot, from their analysis and findings: the prevailing academic environment; the reasons for lack of studies on EC; the orientation and state of thinking of Indian scholars and *elite*; the factors influencing Indian writings on the West as well as on Indian problems; and so on. The tenor of findings of Manmohan Singh, Mahendra Kumar and Subrahmanyam is same: western bias in Indian scholars thinking - in selection of research topic, methodology and analysis; intellectual dependence on the West. Mahendra Kumar and Subrahmanyam further drew attention to peculiar orientation of Indian scholars: too much dependence on the idealistic element and almost total neglect of the realistic element; lack of orientation towards the future. Subrahmanyam went still further and drew attention to Euro-centrism and lack of Indo-centrism among the *elite* (the civil and military bureaucracy, press, academics, political leaders); ingrained spirit of collaborationism; tendency to project the western point of view, and so on.

In these trend reports we did not find reference to Monnet's vision of United States of Europe or to the Treaty of Rome, even though these were much talked about and written about in Europe and United States since early fifties, and even though India recognised EEC as a supra-national state and established an embassy in Brussels in 1961. How can one be Euro-centric and still be indifferent to happenings in Europe?

Strangely enough, Euro-centrism and lack of Indo-centrism did not lead to establishment of a centre for European studies even in the premium national institute like JNU. It did not lead to Indian studies on European society in general and EEC in particular. It did not lead to development of interest in events of historical significance taking place in Europe, the institutional approach Europeans followed towards integration of European national states, or in the political behaviour of Europeans - erstwhile colonial masters - and people of European origin. It merely lead to increasing emphasis on the values and world views supporting to Western/European interests in the writings of Indian scholars. It stopped our *elite* from making any objective, critical assessment of emerging scenario in Europe and its implications for India and the third world countries. It lead to closing our *elite's eyes* to the role of race and racism in the international politics.

6.0 K. Venkatagiri Gowda

Perhaps, the first systematic work on EC by an Indian scholar is of K. Venkatagiri Gowda, then Reader in Economics, University of Mysore (formerly Lord Leverhulme research scholar in London School of Economics). In 1962 his work was published under Kautilya Organisation's 'President Series'. The editor, D. Vijayadevaraj Urs in his *Foreword* said,

The establishment of the European Common Market is actually the most significant economic event of this century and potentially a development of far-reaching political significance. The problems that would be created by Britain's proposed entry into it have continued to provoke keen discussion and sharp controversy throughout the world. Undoubtedly there is genuine anxiety in the minds of governments, leaders of industry, agriculture, trade and finance about the repercussions it is likely to have on the pattern of production, trade and payments.... Though so recent, the subject has raised many issues, each of which seems to be multiplying by fission as it were. The discussions of these issues have so far generated more heat than light: they baffle the non-specialist, bewilder the layman and, most surprisingly, bother even the specialist.⁸⁵

Gowda traced the evolution of the idea of European Economic Co-operation and the Treaty of Rome, and critically examined the issue of Britain's membership of European Common Market (E.C.M.). However, his perception about the objective of E.C.M. was very different from the motives behind the formation of EEC analysed by Krause⁸⁶ which we have discussed in our earlier paper.⁸⁷

"The object of the E.C.M. is to create a strong and viable system and regional economic co-operation which would stand as an effective bulwark against the menacing Communist advance in Western Europe".⁸⁸

Gowda mentioned that he was not concerned 'with the controversy which has accompanied the evolution of the E.C.M. idea historically, nor with the desirability or otherwise of European federation politically'. He was concerned with the bearing of E.C.M. on the economies of Europe and the U.K. in general, and on the economies of the Commonwealth countries and India in particular. He referred to India's Finance Minister Morarji Desai's meetings with the leaders of the original six members of EC and the India's

85 D. Vijayaraj Urs, "Foreword", in K. Venkatagiri Gowda, *The European Common Market and India: Basic Issues Re-examined*, Rao and Raghavan, Prince of Wales Road, Mysore-4 (India), 1962, p.xi.

86 Lawrence B. Krause (ed.), *The Common Market: Progress and Controversy*, Prentice Hall, Inc., Englewood Cliffs, N.J., 1964, pp.3-5.

87 See V.R. Gaikwad, Footnote No.1.

88 Gowda, *op.cit.*, p.xiii.

demand he placed before them for consideration, as well as the memorandum submitted by K.B. Lall, India's first ambassador to EC. Gowda reported that EC refused to concede India's demands which, according to him, were neither exacting nor unreasonable.

"That the Six have refused to concede this demand of India is evidence, if not proof, that the Six are not liberal and outward-looking club..... That the Six have failed to concede India's demand bears ample testimony to the fact that they have not given sympathetic consideration to India's pressing needs on the foreign exchange front, their statement that they have done so notwithstanding. Mr. Morarji Desai in his talks with the leaders of the Six in the middle of July 1962 rightly emphasized that the future of Indian exports was weak and that it was the underdeveloped countries like India that needed protection against the economically strong in Western Europe and not the other way round."⁸⁹

Disappointed by EC behaviour, Gowda observed:

"The advanced countries have hardly begun to develop between nations even that degree of human solidarity which they are learning to create and act upon within each of the advanced industrial nations. When sections of the population of their own nations are in danger of being thrown into destitution they have come to their assistance to a greater or lesser extent. They have flouted the market forces. They have broken with the dogma of *laissez-faire* and done the less profitable rather than the more profitable thing in order to sustain and to save under-privileged sections of the population and derelict regions of their own countries".⁹⁰

In 1962, Gowda perceived the possibility of other European nations joining the EC. He observed:

"If the conception underlying the Common Market as so aggressively adumbrated in the Treaty of Rome should win the day, it will be increasingly dominated by Germany and France capable of drawing their neighbours and others depending on them into their sphere of influence not through the hope of common benefits but through the fear of the consequences of staying outside."⁹¹

What Gowda perceived 28 years back actually happened as we have discussed earlier.⁹² Many European countries including the so-called neutral countries have joined or are trying to join EC. Gowda's doubts about the possibility of fair play and human

89 *Ibid.*, p.186-7.

90 *Ibid.*, p.187.

91 *Ibid.*, p.189.

92 V.R. Gaikwad, *op.cit.*

consideration on the part of EC and other advanced industrial nations while dealing with the poor nations and his disappointments are important to us, since such doubts and disappointments are expressed even now. The question is why such expectations which lead to disappointments. Perhaps, the reason could be found in Gowda's perception about the basic objective of ECM, the underlying motive: 'an effective bulwork against the menacing communist advance in Western Europe'. As we mentioned earlier this was very different from what Krause pointed out based on his analysis of Monnet's ideas.

Gowda also could not fathom the British political ethos correctly. (This has happened with many Indian scholars and diplomats, who wrote on the subject after Gowda, in spite of India's long association with the British). In his concluding chapter he proposed a Commonwealth Common Market as an alternative to the European Common Market. Like many other Indian scholars and diplomats he too was under the impression that Britain had some feeling of 'human solidarity for the people of the underdeveloped parts of the Commonwealth', and that it would be 'easier to get the British people to forgo the full advantage of their bargaining position in importing some raw materials or food items at the cheapest possible price if the commodity in question comes from a Commonwealth source.' When Gowda wrote that "Britain is striving hard to uplift the underdeveloped parts of the Commonwealth" and considered this 'attitude on the part of a rich elder brother' as an asset, we do not know whether he was knieve enough to believe this, or merely trying to appease Britain. As we know, in 1973, pragmatic Britain coolly joined EC.

7.0 M.K. Pandhe, S.A. Dange, and R. Palme Dutt

In 1962, there was sharp reaction to EEC from the communist leaders in India. In his "Foreword" Dange mentioned that the developments in the Common Market, though it was established in 1957, drew the attention of the public in India only in 1961 when Britain decided to join the EEC and applied for it. "Capitalist interest in India, especially those connected with the export of raw materials to Great Britain showed alarm at these developments. And people began to discuss as to what the Common Market is."⁹³

Dange's perception was that giant monopolies were behind the formation of EEC. He wrote:

"The Common Market treaty had come in the wake of the economic crisis which had overtaken Europe in 1957-58. Faced with the crisis of over

93 M.K. Pandhe, S.A. Dange, and R. Palme Dutt, *Common Market: What It is?*, Trade Union Education Series 16, All India Trade Union Congress, New Delhi, 1962, p.ix.

production and the market, the giant monopolies, sitting next door to each other in Europe behind the tariff walls, could obviously think of nothing else but lowering the tariff walls in order to stimulate a greater flow of goods among each other and make a Common Market out of the buyers and sellers of the six countries of Europe. Even a simple lowering of tariff walls was bound to promote greater trade which in its turn would lead to some increase in production also".

All this, however, was presented to the world and particularly the working class and the intelligentsia as a great 'revolution being ushered in by the bourgeoisie. A new Europe was in the making, they said.'⁹⁴

Dange further observed that EEC was supported by America even though it was aware of the fact that Common Market with its vast population, its production capacity and its colonial adjuncts in Africa was a competitor both to the monopolists of USA and of Great Britain with its junior partners of the Commonwealth countries.

"But American imperialism was prepared to contain and swallow this competition for its political aim. The aim was to build a strong and unified industrial base in Europe to support the warmongering aims of the Nato block against the growing might of the socialist world and especially the Soviet Union."⁹⁵

Dange expressed grave doubts about the Common Market achieving its declared aims. According to him this was because Common Market was based on "competing, conflicting monopoly capitalism that rules each of the countries of Europe". He further observed that "A United States of Europe on the basis of capitalism is a mirage. It will only generate conflict with other imperialisms, with the socialist world, with the working class within its own boundaries and the masses in the underdeveloped countries who will choose to be its 'associates'". He also mentioned that "the talk of the Market is one of the most confusing weapons used by the bourgeoisie to keep the working class and the people from attacking it.... The Market is made into a mysterious, unpredictable, impersonal force that is supposed to rule the destinies of men and states and before which all logic, sense or pity cease to have any force."⁹⁶

Let us compare Gowda and Dange. Two different personalities, looking at the same time the same process of European unification but from two different ideologically tinted perspectives. Yet, saying the same thing about the aim of EC! For Gowda EC was "an

94 *Ibid.*, p.x.

95 *Ibid.*, p.xii.

96 *Ibid.*, p.xvi.

effective bulwark against the menacing communist advance in Western Europe". For Dange it was to support "the warmongering aims of the NATO block against the growing might of the socialist world and especially the Soviet Union". Yet, the process of unification led to altogether different direction; 'the menacing communist' or 'growing might of Soviet Union' joined hands with EC within twenty odd years of their writings. From this one can hypothesise that the driving force underlying European unification can not be associated with the economic and political ideological differences between the capitalist West and the Communist Russia.

Dange, like Gowda, did not then perceive the changes that were to occur in the U.S.S.R. and the East European countries only about twenty odd years after his writing, even though the seed for these changes must have been sown much earlier. Dange was expecting Commonwealth to break after Britain joining the EC. "India has rightly replied that she will not be an 'Associate' of this gentry of the Common Market, even if Britain joins them and the Commonwealth breaks".⁹⁷ Once again, we can notice, he could not correctly perceive the state of confusion, uncertainty and indecision in the minds of non-European Commonwealth countries, especially Indian policy makers. Britain did join EC, and Commonwealth did not break. What is more, insipid, fruitless exercise of discussion, negotiation went on merely in Commonwealth meetings even after Britain joined EC in 1973. Such wrong perceptions about the motives behind formation of EC, dogmatic thinking and failure to take hard decisions in time, gave further eighteen years till now to EC to consolidate its economic and political power against the non-European Commonwealth countries and other developing countries.

Other articles in this book were more or less in the same vein as Dange's Foreword. Pandhe provided historical background of ECM. In conclusion he wrote, "either through the Common Market or any other form of economic organisation, the contradictions among the monopolists will not be reduced in any manner." He also referred to Professor Emile Benoit's book *Europe at Sixes and Sevens*: "Professor Benoit admits that crisis conditions in Western civilization have now become normal, and that, henceforth, for an indefinite period, the survival of the bourgeoisie (he uses the phrase 'our society') would always be in danger. He ominously concludes: 'Free societies henceforth will perform 'live dangerously', if they manage to live at all'.⁹⁸

97 *Ibid.*, p.xxi.

98 *Ibid.*, p.12.

Dange's article, "India and the Common Market" reiterated that imperialism was the common bond among the EC members. After analysing the pros and cons of EC to India he concluded that Britain joining the ECM was no calamity for India and that for India there was no cause for panic, no need for worry.⁹⁹

R. Palme Dutt in his scholarly article "Britain and the Common Market", analysed the historical process of evolution of Common Market. According to him,

"The main objective, which has been set by the sponsors and leaders of the Common Market is of a political nature. From the very outset the United States, with the support of the West German monopolies, sought to establish some kind of 'supranational' federation which would successfully swamp the national independence of the West European nations".¹⁰⁰

He went much deeper in his analysis of historical reasons for formation of the Common Market. According to him plans for West European continental capitalist combination went back to the First World War, when the German imperialists tried to establish their project of Mitteleuropa to combine the territories of the German and Austro-Hungarian Empires and adjacent smaller countries in an economic customs union, as a prelude to political federation. This would have reduced France into a vassal state of Germany. French imperialism defeated these plans by the alliance with Tsarist Russia and Britain. The victory of the Entente, backed by the United States, and the revolutions in Eastern and Central Europe overthrowing the German and Austro-Hungarian Empires, ended the dreams of Mitteleuropa.¹⁰¹ After the First World War two factors dominated the European scene: (i) hostility to the Soviet Union and fear of Communism, and (ii) rivalry between the two victor West European powers, Britain and France. Britain sought to rebuild Germany in order to hold the balance between France and Germany. In opposite to this, the French monopolists moved over to the alternative method of an alliance with the reviving German monopolists. So was formed the "European Steel Cartel", actually Franco-German Steel Cartel in 1926. United States actively built up the war industry of German monopoly capitalism. Both British and American financial and diplomatic circles played the main role in building up Nazism and Hitler in Germany, and in rearming Nazi

99 *Ibid.*, pp.13-25.

100 *Ibid.*, p.26.

101 *Ibid.*, p.27.

Germany. The rearmed German imperialism sought to establish unified Western and Central Europe under German domination under 'New Order in Europe'. In opposition to Nazism British imperialism conjured up a vision, on the basis of the weakening of France, to establish British domination in Western Europe. This found expression in May 1940 when Churchill on behalf of the British Government made a formal proposal that France should be incorporated into Britain to form a single state—a proposal which aroused deep resentment in the French cabinet and hastened the surrender to Hitler. In the closing phase of the Second World War and soon after the War Britain actively pursued and publicly proclaimed the aim of establishing a united Western Europe under British leadership. This task was taken over by the United States under the Marshall Plan under which Organisation for European Economic Cooperation (OEEC) - an American controlled organisation for West European economic integration was established. The British initiative of establishing the Brussels Treaty of the Western European Powers as a political-military bloc of Western Europe under British leadership, without the United States, was soon displaced by NATO with the United States as Commander-in-Chief, and the West European states as subordinate satellites. The initial phase of OEEC was succeeded by the Common Market of French and German capitalism, backed by the United States against the British attempt at the alternate European Free Trade Association (EFTA).¹⁰²

Dutt described in great details the battle of the Common Market and the EFTA, and reasons for the shift in British policy and its attempt to join EC. But what is more enlightening is his description of the 'new imperialist scramble for Africa. He wrote:

"A Survey of all the projects for a so-called 'United Europe' or in fact United Capitalist Western Europe would show that all such plans have been explicitly based on the assumption of the exploitation of Africa as the essential foundation for West European prosperity. Thus the Labour Party Executive laid down in its publication, 'The Labour Party's Plan for Western Europe' in 1948:

"Western Europe cannot live by itself as an economic unit.... A real reduction in our dependence on American supplies depends above all on our developing the vast resources of the African continent. Such development depends on close collaboration among the Powers with responsibility in Africa."

"Similarly Dulles declared that the development of Africa could make 'Western Europe completely independent of Eastern European resources.' Africa was described by the 'United Europe' advocates as 'a southern extension of Europe'.¹⁰³

102 *Ibid.*, pp. 27-30.

103 *Ibid.*, p.39.

Dutt further mentioned that for the above reason EC made special provision to include the former colonies of European countries in Africa, though overtly emphasising that Common Market's interest in Africa must not appear as a form of neo-colonialism. One of the major reason for shift in Britain's policy was this EC's extension in Africa. He observed,

"Britain is vitally concerned to secure the major share, not only in former British colonies, but also in others, such as the Congo where British manoeuvres have been most active and aggressive, is now closely tied up with the Common Market. If the Common Market were to turn a great part of ex-colonial Africa into a closed area excluding Britain (we are here of course dealing with the plans of its sponsors, not with the prospects of the defeat of those plans by the advance of the African Liberation Struggle), this would be a dangerous prospect from the standpoint of British imperialism."¹⁰⁴

Dutt was very much aware of the political motive behind EC. He wrote:

"The EEC has been proclaimed by its founders from the outset and by the Rome Treaty to be not primarily economic, but political in aim, as a step towards some kind of 'supranational' political unification of Western Europe. The President of the Council of EEC, Professor Hallstein, declared on May 22:

"Political goals have equal priority with economic ones in the six-nation union. We are not in business at all. We are in politics."¹⁰⁵

His historical analysis led Dutt to conclude that from the days of Locarno and Pan Europe the efforts towards Western 'European Unity' "has always been bound up with counter revolutionary politics to maintain the division of Europe and consolidate the capitalist combination against the Soviet Union and the Socialist countries in Europe and against Communism and the Working-class movement in Western and Central Europe."¹⁰⁶

Thus, we see that in spite of his scholarly historical analysis Dutt too could not then perceive the likely reaction of East European countries and U.S.S.R. to EC, and the likelihood of these joining hands with EC. The concept of "European Race" and the historical process of domination of this race over the non-European races did not find place in his historical analysis. And hence, he failed to perceive the possibility of East European countries and European Russia remembering their "European Origin", an urge far more deep-rooted and

104 *Ibid.*, p.39.

105 *Ibid.*, p.40. It seems, this is from Professor Hallstein's speech at Harvard referred to in the same book on p.69.

106 *Ibid.*, p.40.

powerful than any ideological consideration which has now proved to be only a very short-term phenomenon in European history.

There is an article on 'West Germany and the Common Market' in the same book. It mentioned that "The Common Market is the offspring of the Union of German and French heavy industry"¹⁰⁷ and concluded that 'The Common Market is the latest German challenge to Britain and virtually presents her the alternative of exclusion from key markets in Europe or opening her own preferential Empire markets to German exporters'.¹⁰⁸

Part III of this book provides reactions in India and abroad to EC, mostly selected extracts from Indian newspapers and weeklies such as *The Hindu*, *The Times Of India*, *The Hindustan Times*, *The Indian Express*, *The Economic Weekly*, *Commerce*, as well as from foreign newspapers and weeklies, published during 1961. It gives an idea of reaction of Government of India: Prime Minister Nehru's views, and Finance Minister Morarji Desai's views, as well as that of Asoka Mehta, Chairman of Praja Socialist Party, trade and business organizations (Federation of Indian Chamber of Commerce and Industry and Indian Cotton Mills Federation). It also gives an idea of reaction to EC in Africa and other countries.

From these reports we learn that Indian reaction then was primarily evolved around the economic issues, especially the effect of Britain joining the EC. The idea of an associate membership of EC was totally unacceptable to India and this was forcefully presented by Morarji Desai. It is interesting to note from these selected extracts that in spite of the very openly professed and well-known political objective behind the formation of EC, neither Nehru nor Desai had expressed any reaction to that. Federation of Indian Chamber of Commerce and Industry expressed its anxiety about loss of preferential treatment if UK joined the EC. The acting Chairman of Indian Cotton Mills Federation even suggested that "the interests of the developing Commonwealth countries could best be preserved if these countries could consider the possibility of becoming something like associated countries of the E.E.C."¹⁰⁹

Asoka Mehta's speech in *Lok Sabha* on 8th September 1961 shows a clear understanding about the EC, its likely impact on economy of developing countries, and the

107 *Ibid.*, p.42

108 *Ibid.*, p.49.

109 *Ibid.*, p.64.

direction in which India should move.¹¹⁰ He was quite aware of the political objective behind EC, and referred to EC as a 'third giant' which might "perhaps help to maintain peace in the World." He mentioned that "it was the thinking, powerful original thinking of a man like Monnet that brought into existence this Common Market". He called him *gyan yogi*, 'who was prepared to believe that ideas are powerful and ideas could ultimately change the shape of the world.' Mehta suggested similar regional arrangements in our part of the world, and requested the Finance Minister to set up a study group to explore the possibilities and find out the difficulties in developing such regional arrangements. It is interesting to note that he mentioned that the Prime Ministers of both Ceylon (Sri Lanka) and Burma were very anxious for economic cooperation and regional cooperation. "It is India that has so far not shown enough interest." It seems that Indian leaders did not pay much attention to Mehta's advice, and today, even after nearly 28 years, in spite of much publicised SAARC meetings, there is not much cooperation among India, Pakistan, and Sri Lanka, and other Asian countries.

In contrast to Indian reaction, African reaction has been, and still is, much more acute and forthright. Their leaders were very perceptive about the activities of EC in African countries. Unlike Indians their leaders did not mince words. Some of their reactions were: 'What is certain is a new lease of life to colonialism in new form if the Common Market grip tightens on Africa;' 'The effect of Common Market on industrial development on African countries is likely to be disastrous. Already Western powers are biased in favour of agricultural development in Africa. Although they accept the necessity of diversifying African economies, they mean by diversification no more than growing two commercial crops where at present only one is grown. Industrialisation has so far meant investment in mines and other extractive industries. This will perpetuate a situation in which Africa remains a supplier of raw materials, if not agricultural raw materials, then industrial raw materials.'¹¹¹ There was also reference to "Black Racism" - the charge commonly made against them by some European countries - that certain African countries refuse to be classified as 'tame niggers', a term used by the British to describe in private the pro-Western African countries.¹¹²

110 *Ibid.*, p.59-63.

111 *Ibid.*, p.72.

112 *Ibid.*, pp.72-3.

It is worth noting that in spite of such reactions of African countries in many Afro-Asian, Commonwealth and UN forums, Indian reaction to EC has always been insipid. In contrast to Africans, it does not seem to perceive the threat of neo-colonialism in the form of EC. At least it has not been vocal on these issues as much as Africans. Here, a set of questions come to our mind. These must have come to our readers also, especially the Africans. Why the Afro-Asians did not follow the instinct, the perception of the Africans and evolve strategies accordingly? Were the Africans unduly influenced by the combined leadership of Nehru of India, Tito of Yugoslavia and Nasser of Egypt? Or, it was the other way round? Was the philosophy of 'economic interdependence' and economic cooperation with erstwhile colonial powers a compromise formula to satisfy all concerned? Did it dampen the national spirit and the spirit of self-reliance of the young nations of Africa and Asia? What role Eurocentric elites of India and African nations have played in dampening this spirit?

8.0 Ram Autar Sharma

Between 1963 and 1967 there were a few publications on EC. Ram Autar Sharma provided an account of EC from its inception till the breakdown of the Brussels talks of the Six. He referred to the anxiety among Commonwealth countries especially in India about the implications of Britain joining the EC. According to him "British decision has shaken the whole Commonwealth export trade and even doubts have been raised in the very idea of co-operation of Commonwealth countries. It is even whispered that (it) is an "Economic Conspiracy" on the part of the developed countries to abolish competition and consequently keep down prices of raw materials, brought from the countries of Asia and Africa."¹¹³ He concluded that India would suffer in the same way as the others, and suggested formation of S.E. Asia Union to defend the interest of S.E. Asian countries "against the overwhelming strength of some of the dominant economies, trade blocks and custom unions."¹¹⁴

9.0 R.S. Nigam, A. Arora, and A. Gulati

R.S. Nigam in his book based on his Ph.D. work made an assessment of the impact of various measures under the EC plan on India's foreign trade (especially the export aspect). His book covered historical developments leading to the formation of the EC, summary of provisions contained in Rome Treaty, pattern of India's trade with EC countries,

113 Ram Autar Sharma, *The European Common Market and India*, Standard Publications, 55, U.B. Jawahar Nagar, Delhi-6, (Year of publication not mentioned; events referred upto 1st January 1963), p.17.

114 *Ibid.*, p.22.

associated territories and Britain, and impact of various measures adopted by EC on the trade and economics of developing countries with special reference to India. He concluded that "the formation of the Economic Union of the Six countries, the association of their Overseas colonial territories and the entry of the U.K. into the Common Market are going to affect our export trade adversely."¹¹⁵ He advised 'collective actions' and 'collective bargaining' by Afro-Asian countries to safeguard their interests. He also explored the feasibility of establishing an Asian Common Market and came to following conclusions:

"It can be said in all fairness that the idea of establishing an Asian Common Market is premature at the present time. However, the increased cooperation among the Asian countries for promoting intra-regional trade and establishment of institutions in which the various countries of the region may work in cooperation with one another are very much desirable for promoting economic development of the region and minimising the hardships caused to the Asian countries due to the emergence of the European Common Market, which is inward-looking".¹¹⁶

Nigam's was a scholarly work limited to economic aspects. In his work he did not refer to Monnet or discussed the basic political motive underlying EC. Nigam continued to write on EC. In 1978 with Adarsh Gulati he analysed the Common Agricultural Policy (CAP) and its impact on the developing countries. They observed:

"EEC's CAP did not lead us to a Europe we dreamt of. The Common Agricultural Policy requires re-examination and modification, because in its present state it has served neither the community nor the rest of the world and has considerably harmed the interests of the developing countries.... Their dream of "aid to end aid" to which the developed world has since long been committed remains a pious hope and the poor countries are becoming poorer day by day in spite of brave statements and plans of organisations like OECD and UNCTAD".¹¹⁷

Nigam and Adarsh Arora's article on CAP in 1979 mentioned that the CAP "has come out to be more *inward looking* rather than *outward looking*". They pointed out that "the EEC is the biggest importer of food items, which are important in export trade of developing countries and some of which are subject to CAP regulations. The CAP, which is a common policy too, is a crucial determinant of the openness of the Community to third country exporters."¹¹⁸ Using a theoretical framework the authors tried to answer the

115 R.S. Nigam, *A Study of the European Common Market and Its Impact on India's Foreign Trade*, S. Chand & Co., Delhi, 1964, pp.175-6.

116 *Ibid.*, p.192.

117 R.S. Nigam and Adarsh Gulati, "Common Agricultural Policy of the European Economic Community and the Developing World", *Foreign Trade Review*, 13:1, 25-41, April-June 1978, p.48.

118 R.S. Nigam and Adarsh Arora, "The EEC, The Common Agricultural Policy, And the Third World", in K.B. Lall and H.S. Chopra (ed.), *The EEC and the Third World*, Radical Publishers, 1981, pp.30-31.

question 'as to how the operations of the CAP restrict the scope of outside suppliers especially the developing world to dispose of their agricultural products in the European Common Market which though wider, but being protectionist and discriminatory against their exports, has drastically damaging effects towards non-member countries."¹¹⁹

The framework covered the following determinants of the impact: (a) elimination of internal trade restrictions, (b) application of the principle of Community preference, (c) application of common price system and Community-wide import control measures, especially the variable levy systems, (d) spread gap, i.e. the gap between the Community price level and world price, (e) support or intervention buying of surplus produce by the intervention agencies at the intervention prices, and (f) support stocks with the Community. According to the authors, "All these factors, by influencing the capability of the Community to meet the domestic demand for imported agricultural products through internal production, would ultimately influence imports from abroad in their own way."¹²⁰ The authors further elaborated on the operation of the CAP. They pointed out that, "By adopting a policy of manipulated prices, it (EEC) has encouraged production increases and discouraged increases in consumption and thereby given way to a move towards self-sufficiency in agricultural products in the EEC reducing requirements for imports." This they discussed using following factors: (a) Initial supply curve of the Community, (b) changed supply curve of the Community, (c) Demand curve of the Community, (d) Target price, (e) Initial supply curve of the world for the Community, (f) Changed supply curve of the world for the Community, (g) Initial world price, (h) Changed world price, (i) Variable levy, and (j) Restitution payment. The theoretical framework was further expanded with addition of three factors, namely, (a) Supply from the Associated countries, (b) Supply from non-Associated countries, and (c) Preferential margin. Using this framework the authors proved that '*the direct or indirect association of developing countries with the EEC is the source of a variety of effects on both associated and non-associated developing countries.*'¹²¹

They concluded:

"Not only do the Associated States get preferences in sales, they are faced with reduced levies or customs duties, which further implies higher prices for their exports and encouragement to production. While non-Associated countries are not only next to Associated countries but also pay variable levies equal to the difference between

119 *Ibid.*, pp.34-5.

120 *Ibid.*, p.35.

121 *Ibid.*, p.39, emphasis added.

Tp (Target price) and Wp (World price) provided Tp exceeds Wp, and get Wp for their sales in the EEC market, a price lower than that obtained by Associated Countries."

"Suppose, no demand left unsatisfied after obtaining supplies from Associated Countries, in that case the share of non-Associated Countries would become equal to zero. Hence, non-Associated Countries have been denied equal access due to preferential treatment given to exports from Associated Countries. Non-Associated Countries merely supply the residual demand fluctuating from year to year."

"These non-Associated Countries face reduced position in world market too due to placement of excess supplies on these markets not only by non-Associated Countries, but also by the Associated Countries and EEC members due to excess production in them because of encouragement given by high prices inside. The non-Associated Countries would face increased competition and reduced prices and consequently bad impact on their terms of trade and developmental programmes due to a decline in their export earnings."

The CAP has wide repercussions for the Third World, which cannot be neglected and must be duly attended to."¹²²

The work of these two authors needs to be appreciated since in all the literature on EC by Indians available to us, theirs is the only one which analyses impact of EC operations using a theoretical framework based on demand and supply factors. It is a pity that other scholars have not paid attention to their recommendation that 'CAP has wide repercussions for the Third World which cannot be neglected and must be duly attended.' Even the good journals, such as the *Indian Journal of Agricultural Economics*, do not contain a single article on EC and CAP all these years.

Nigam-Arora framework provides an opportunity for further explorations. In their framework interests of three parties are considered, namely, EC, Associated countries, and non-Associated countries. Their analysis clearly brings out how the EC-CAP operations combined with Associated countries adversely affect the interest of non-Associated countries. However, we need further explorations as to under what conditions interests of:

- (i) all the three parties are adversely affected;
- (ii) all the three parties are balanced, i.e. favourably affected;
- (iii) only Associated and non-Associated countries are adversely affected, but not of EC;
- (iv) Only non-Associated countries and EC are adversely affected, but not of Associated countries.

- (v) Only Associated countries and EC are adversely affected, but not of non-Associated countries;
- (vi) Only EC are adversely affected, but not of other two parties;
- (vii) Only Associated countries are adversely affected, but not of the other two parties;
- (viii) Only non-Associated countries are adversely affected, but not of the other two parties.

Nigam-Arora analysis explains the conditions only in relation to item (viii) above and not the remaining seven items. Even in this case we need still deeper analysis. In our earlier paper we have pointed out how in spite of all the Lome' Conventions and Agreements the Associated countries, especially African countries, lost heavily from their trade relationships with EC. Under what conditions this has happened would be worth analysing. Such analysis is needed for formulating policies and strategies in international trade. If one believes in international cooperation then one will be interested in factors satisfying the conditions under item (ii). On the other hand, if one is interested in safeguarding the interests of non-Associated countries or of Third World countries one will be interested in factors satisfying the conditions under item (v) and (vi) respectively. And if one wants to join EC to exploit the Associated countries of Africa then one will be interested in factors satisfying the condition under item (vii). If there is a fourth party not favourably inclined towards all these three parties then it would be interested in factors satisfying the condition under item (i). EC itself will be interested in factors satisfying conditions under item (iii) as first choice, otherwise under items (viii), (vii) and (ii) as second, third and fourth choice respectively. What we need is further work using dynamic modelling, simulation exercise, systems analysis to help take appropriate policy decisions and quick operations decisions while dealing with commodity markets. Unfortunately, such exercises are missing.

Sometime after presenting the above paper in 1979, Professor Nigam undertook an assignment with the Department of Business and Management Studies, University of West Indies, Trinidad. His contribution on EC, if any, during 1980-87 period, is not available to us. We, however have his article published in 1988 on 'Protectionism and International Business'. It was not on EC *per se*, but on protectionists measures taken by developed countries in general. He pointed out that 'the greater a country's dependence on foreign trade is, the weaker is its negotiating position vis-a-vis other countries; this has been the case with the Japanese exports to the EEC as well as to the USA....'¹²³

In this article of the author, one discerns certain shift in thinking, a change of heart if one may say. In his earlier writings the author referred to CAP's negative 'repercussions for the Third World', 'the inward looking EEC', and the need for "collective action" or "collective bargaining by Afro-Asian countries", "an Asian Common Market", etc. No more he referred to these, and became a protagonist of a fair world economic order. He observed: "The problem of protectionism cannot be tackled in isolation. The immediate remedy against protectionism lies in not retaliating, whatever the provocation. Restructuring of world economic order in tune with the social interests of all countries, which are many a time conflicting, is the need of the hour to ensure a better future".¹²⁴ Unfortunately, he did not explain as to how he arrived at this conclusion. Secondly, he did not elaborate on the mechanisms for retaliation, and the theoretical implications of these measures.

10.0 Indian Council of World Affairs (ICWA)

Sometime during 1962, with British Government's move to join EC, the research board of the ICWA decided to sponsor a study of the economic and political implications of the European Economic Community for India. It set up a study-group of the following persons:

1. Dr. H.N. Kunzru, President, ICWA.
2. Shri Asoka Mehta, then Chairman of the Praja Socialist Party.
3. Shri H.M. Patel, former Secretary, Ministry of Defence and Finance, GOI.
4. Shri G.L. Bansal, Secretary-General, Federation of Indian Chambers of Commerce and Industry.
5. Shri Neville Wadia, Managing Director, Bombay Dyeing and Manufacturing Co.
6. Shri H. Venkatasubbiah, Industrial Correspondent, *The Hindu*.
7. Shri S.N. Mishra, Member of Parliament.
8. Dr. I.G. Patel, Chief Economic Adviser to the Ministry of Finance, GOI.
9. Shri L.K. Jha, Secretary, Ministry of Finance, Government of India.
10. Shri V.K. Ramaswami, Economic Adviser to the Ministry of Commerce, GOI.
11. Shri R.N. Goenka, Managing Director, *Indian Express*, Madras.
12. Shri G.L. Mehta, Chairman, Industrial Credit and Investment Corporation of India Ltd., Bombay

13. Prof. N.V. Sovani, Deputy Director, Gokhale Institute of Politics and Economics, Poona.
14. Shri D.L. Mazumdar, Director, India International Centre, New Delhi.
15. Shri S.L. Poplai, Secretary-General, ICWA.
16. Shri Sisir Gupta, Research Secretary, ICWA.

In December 1962, Mrs. Dharma Kumar of Reserve Bank of India was appointed Director of the Study of the project and was assisted by three research assistants—Shri N. Parthasarathi, Shri A. Ram Kumar and Shri Rajendra Kumar. For a short time, Professor B.P. Adarkar (who had settled down in Brussels) also assisted the team in the preparatory work.

"About mid-April 1963, three members of the Study-Group - Shri G.L. Mehta, Shri H.M. Patel, and Professor N.V. Sovani - accompanied by Mrs. Dharma Kumar spent 8 weeks in the member-countries of the Common Market, Switzerland, United Kingdom and the United States. During the visit the team met a number of persons connected with the Commissions of the Euratom and the EEC and also with the High Authority of the European Coal and Steel Community and the EFTA secretariat. They held discussions with the permanent Representatives of the Six in Brussels, with some members of their governments and also with many specialists." The team also had discussions with Mr. Andrew Shonfield of the Royal Institute of International Affairs, London, and Mr. William Diebold Jr. of the Council of Foreign Relations, New York. Shri K.B. Lall, Indian Ambassador to the EEC took great personal interest in the team's work. The team also received cooperation from Dr. Walter Hallstein, President, the EEC Commission.

The Council received comments on parts of the manuscript from five foreigners, namely, Dr. Richard Mayne (France), Mrs. Miriam Camps, Mr. Andrew Shonfield, Mr. Maurice Zinkin (all three from U.K.), and Sir John Crawford (Australia).*

Between the second half of 1963 and the year 1964 important developments took place in Europe such as President de Gaulle's opposition to Great Britain joining the CM; British Government's withdrawal of its application; sharp Franco-German differences in respect of CAP, etc. To assess the effects of these changes, Mrs. Kumar was again sent to

* Whether the Council approached Indian scholars, diplomats and other knowledgeable persons for comments on the manuscript is not known to us.

Europe in May 1965 where she spent about six weeks. She finalised the manuscript in December 1965 which was published in 1966.

The Council received grant of US \$ 38,000 from the Ford Foundation and donation of Rs. 45,000 from Shri R.N. Goenka for expenses connected with this study.

All this has been reported by Mr. S.L. Poplai, Secretary General, ICWA in his Foreword to Dharma Kumar's book *India and the European Economic Community*.¹²⁵

We have two books based on this project, one by Sovani¹²⁶ who was member of the study team which went abroad in 1962, and the other by Dharma Kumar who accompanied the team in 1962 and was sent abroad again in 1965. As mentioned in these books the opinions expressed in these two books were entirely of the individual authors and not of four-member study team or sixteen member Study-Group or the ICWA. Sovani explicitly mentioned that "None of my colleagues on the study team, however, necessarily share all the opinions I have expressed in these lectures".¹²⁷ As regards the conclusions arrived at by the sixteen-member Study-Group of the ICWA, we have no idea. If the Study-Group has published its conclusions and recommendations, these have not come to our notice so far and as such are not covered here. As regards ICWA itself it clearly proclaimed that it "is a non-governmental, non-profit and non-party organization, founded in 1943 to encourage and facilitate the objective study of Indian and international affairs. The Council, as such, is precluded by its constitution from expressing an opinion on any aspects of Indian or international affairs. The opinion expressed in this study, (Dharma Kumar's), therefore, are of the author not of the Council."¹²⁸

Thus, by one stroke of its own constitution evolved during the British period (and not changed even after Independence) the Council deprived us of the collective wisdom of its learned members. Whether the Study-Group also followed the same route to escape from the social responsibility, we do not know. Since Sovani's and Dharma Kumar's books were published in 1965 and 1966 respectively, these are reviewed in that order. Incidentally,

125 Dharma Kumar, *India and the European Economic Community*, (Issued under the auspices of the ICWA), Asia Publishing House, Bombay, 1966, pp.v-vii.

126 N.V. Sovani, *The European Economic Community*, (R.S. Hukerikar Memorial Lecture Series, No.1 (1964), J.S.S. Institute of Economic Research, Dharwar 4, 1965.

127 *Ibid.*, p.1.

128 Dharma Kumar, *op.cit.*, p.iv.

while Sovani delivered his lectures in November 1964 and published these in 1965, and Dharma Kumar finalised her manuscript in December 1965, and published it after July 1966, neither Sovani nor Dharma Kumar mentioned other names in their works. There may be some genuine reasons for this slip, or perhaps it indicates that after all teamwork and team spirit did not last long.

11.0 N.V. Sovani

In his R.S. Hukerikar Memorial Lectures at the Institute of Economic Research, Dharwar, Professor Sovani presented his views on EEC. He called it 'an inspiring example that can teach us much'. One of his reasons for choosing this subject for his lectures was 'the colossal ignorance that prevails in India about the EEC and its achievements and what it augers for the future'.¹²⁹ In his first lecture he described the evolution of the EEC and its various institutions such as High Authority of the ECSC, and Euratom, followed by a short account of Treaty of Rome and European Parliament, and detailed description of the working of EEC. He was quiet aware of the political objective behind the formation of EEC.

"A fusion of the national entities is to be achieved to replace the old balance of power and these are in embryonic form the constituents of the future government of United States of Europe".¹³⁰

He also pointed out that "the European Common Market is more widely known than the total EEC of which it is an aspect. It is only a means to an end."¹³¹

In his second lecture he raised the basic question:

"Will the EEC develop in future as a strong group of nations looking inwards and using its strength like a giant or will it become an open community which will be outward looking? The savants who initiated and pushed intellectually the ideas underlying the EEC have refused to limit their horizons to West Europe alone and have discussed what is commonly known as the Atlantic Community, thus visualising an even wider integration of countries and nations."¹³²

Sovani did not provide a straight answer to his question, but, in his own words, discussed the problem a little tangentially by discussing the problem of British entry to the EEC. About the prospects of British entry to the EEC, he was not sure as could be seen from

129 N.V. Sovani, *op.cit.*, p.1. (emphasis added).

130 *Ibid.*, p.7,

131 *Ibid.*, p.10.

132 *Ibid.*, p.26.

his observation: "To judge from reactions in Britain the prospects are uncertain".¹³³ He also referred to Austria's time to time overtures to the EEC to evolve some kind of trade arrangements with her without affecting her neutral status. He also expected Sweden and Switzerland to follow suit.¹³⁴

In his third lecture, he discussed the problem of India with reference to EEC. He presented in great detail Raul Prebisch's thesis on need for new trade policy for development in underdeveloped part of the world, and pointed out:

"In fact the unequal economic process generated by the modern international trade between the industrial and non-industrial countries has been commented upon in the latter for at least a century or more. For example, the impact of the industrial revolution on the colonial countries has been documented and discussed for a long time. How the imports of manufactures from the West killed the indigenous industries in the colonial areas and how the costs of economic transition in the West were borne in the far away lands of Asia, Africa and Latin America has been a well-developed theme in the economic writings dealing with colonial economies. It has also been pointed out that the Western countries are scarcely aware of those costs in the past though today they readily talk about the Eastern Industrialisation and its adverse effects on the West. The Prebisch thesis carries the argument a stage further and is more appropriate to the new situation after the end of World War II. Its essential core, however, is the same and it is found to be equally unacceptable to the industrial countries."¹³⁵

Sovani came to conclusion that the problem faced by India vis-a-vis EEC was not unique but part of the general problem faced by most of the developing countries in the post-war period. "As such India need not feel isolated. She has to fight not her own battle alone but join the battle that will be waged by the developing countries as a whole".¹³⁶ It is a pity he did not suggest any strategies and action plans which India and other developing countries should follow for this battle.

In contrast to Gowda, Sovani was not affected by the 'EEC as an effective bulwark against the menacing communist advance' theory. Hence, his observations and conclusions were also different, and we find these relevant even today. For example, note his observation: 'The colossal ignorance that prevails in India about EEC its achievements and what it augers for the future'. The colossal ignorance about the real issues still prevails, and

133 *Ibid.*, p.32.

134 *Ibid.*, p.35.

135 *Ibid.*, pp.41-2.

136 *Ibid.*, p.49.

seems to be systematically cultivated in India. Or, his observation: 'fusion of national entities are in embryonic form the constituents of the future government of United States of Europe?' The embryo has now grown to adolescent stage and yet many in India still refuse to acknowledge even the possibility of United States of Europe. Or, his observation: 'European Common Market is only an aspect of EEC. It is only a means to an end'. What we see that even now most Indian scholars, diplomats and policymakers look at EC from the narrow perspective of short-term trade interest and show least concern about the ultimate political objective of EC. Or, his reference to the savants who 'refused to limit their horizon to West Europe' and thought in terms of the Atlantic Community 'thus visualising an even wider integration of countries and nations'. We see crystallisation of such visions in recent statements of East Europeans and Russians about their 'European Home', 'European Origin', 'European Cultural heritage' and in the recent statement of Italian Foreign Minister Gianni De Michelis (who assumed the six-month rotating presidency of the European Community on July 1, 1990), 'We want to build a broader, Helsinki-type Europe, from San Francisco to Vladivostock';¹³⁷ Or his recommendation that India should 'join the battle that will be waged by the developing countries as a whole'. We know that except paying lip service to south-south cooperation, little has been done so far by the developing countries, including India, on this front, and only recently there is some interest shown by SAARC and ASEAN. Considering all these one can say that all these years Professor Sovani's observations, somehow, did not carry much weight or find favour with our foreign policy makers and their advisers, and perhaps now one has to pay serious attention to what he wrote some twenty-seven years ago.

12.0 Dharma Kumar

The second book on the ICWA project on EEC was by Dharma Kumar. It has nine chapters: 1. The EEC: A General Survey, 2. Political Trends, 3. India's Policy Towards the Community, 4. Europe and Africa, 5. The Community and World Trade, 6. India's Balance of Payments with the Community, 7. India's Exports to the Common Market, 8. The Commonwealth and the Community, and 9. The Future.

Dharma Kumar's is the most comprehensive study of that time. It covers many relevant aspects of EEC, and provides a good deal of data and analysis on trade related matters. It is also full of insights on various political and economic aspects of EEC. Hence, it will be worthwhile presenting in detail the observations and conclusions of the author.

137 See Footnote No.8.

The author was quite aware of the political objectives of EEC and its potential to alter the balance of world power. As regards aims of European integration the author observed: "Some see European unity as a move to set up a Third Force which would be separate not only from the United States and the Communist bloc, but also from the Asian and African countries who have interests separate from and sometimes counter to those of Europe. Others regard the unification of Europe as a means of making it a more effective ally of the United States."¹³⁸

Regarding popular support to EEC, the author observed:

'On balance, therefore, the European Economic Community's attempts at economic integration have proceeded according to plan so far. And this has had some political success: as far as can be gauged by observers and by Gallup polls the idea of the Community has popular approval. If the electorates of the six were asked to vote on the continuance of the community, it seems overwhelmingly probable that they would vote for it. This is partly because the last four years or so have seen economic gains for most sections of the community, and some of its advantages - such as cheaper imports from the rest of the Community - can be directly felt.⁽⁸⁾ Moreover, nationalism seems to have lost much of its force in Europe and the prospects of some Pan-European entity has great popular appeal⁽⁹⁾. But it is doubtful if many people have considered the political consequences of a complete surrender of sovereignty to some form of European Government."¹³⁹

On United Kingdom's relationship with EEC, Kumar observed, "In recent years the United Kingdom's connection with Europe seems to have been governed by alternating waves of attraction and repulsion."¹⁴⁰ This observation of the author is very pertinent, since this pattern of attraction and repulsion continued even in subsequent twenty-five years till now. It often confused, even fooled, many observers, and often created a false hope in the minds of many that the U.K. may not join the EEC, or surrender its sovereignty. Her observation, "the entry of Britain into the Common Market certainly can not be ruled out",¹⁴¹ made in 1965 indicates her insight into the political processes in Europe, since in 1973 U.K. did join EEC.

138 Dharma Kumar, *op.cit.*, p.2.

139 *Ibid.*, pp.19-20 (Author's footnote No.8. "It is interesting, too, that the increase in intra-Community trade does not yet appear to have had any great effect on retail prices in general, though the prices of a few commodities have fallen sharply. The Commission suggests that this is partly because imports are always direct substitutes, for domestic products, and partly because there is little competition in the distributive trades; EEC, *Eighth General Report*." Author's Footnote No.9: "See Gallup International: "Public Opinion and the European Community", *Journal of Common Market Studies*, Vol.II, No.2, 1963. It is interesting that while many observers believe that the European Ideas has special appeal for the young, the pool showed that the opinions of the young were above average.").

140 *Ibid.*, p.23.

141 *Ibid.*, p.26.

On EEC and India relationship she made the following observations:

"In the political sphere, India is concerned, like every other country, with the possibility that the political integration of the community will proceed rapidly enough for it to form in the foreseeable future a political unit with a common foreign policy. The question then arises of what this foreign policy will be. Will the community introduce a fresh element into the world structure of power? Two other political questions call for discussion. Of special importance to India is an assessment of the probability of the United Kingdom's joining the Common Market and the effects of this on the Commonwealth. And finally, what effect will the Association with the African countries have on alignments in Africa and on the Afro-Asian bloc?¹⁴²

It should be noted that the questions raised by the author then are very much relevant even today. Even at that time the author had an inkling of the political shape the Community was likely to take, especially, integration of East European countries and Russia with EEC.

What political shape the Community takes will depend partly on its future size. The "Europeans" have repeatedly stated that they look forward to an expansion of the Community; by the German and Italian thesis, "Europe must spread to its natural frontiers".(21) This, even more than General de Gaulle's favourite phrase, "Europe from the Atlantic to the Urals", begs the question of what these "natural frontiers" are. In his Europe the General apparently includes not only Eastern Europe but part of the Soviet Union, while excluding Britain, though he is perhaps uncertain on the latter point."

"It is not clear whether to the Germans and Italians European frontiers stop at the Oder-Neisse line or extended to the borders of Russia, but it is certain that they include Britain. Moreover, the statement by the Dutch and German governments that "the ultimate aim of the German and Dutch European policies is the establishment of a democratically-based unified Europe, in which the present members of the Community, Britain and other European countries will participate"(22) would be supported by many in France too, particularly, the Monnet group. But many would oppose Franco's Spain and Salazar's Portugal, and some of the neutrals do not want to become full members themselves."¹⁴³

Dharma Kumar reported that even before 1965, Denmark and Norway also negotiated for full membership and Sweden, Switzerland, Austria and Portugal for association. Norway and Denmark had procedures for unofficial liaison with the Community. As regards Portugal and Spain the author reported:

142 *Ibid.*, pp.28-29.

143 *Ibid.*, p.39. (Author's footnote No.21: "M. More was reporting the view of the W.German and Italian governments; *Europe*, January 28, 1965"; Footnote No.22: "Communique issued at the end of Dutch-German talks; *Europe*, March 4, 1965.").

Portugal's natural grouping is with Spain; the entry of these two totalitarian states into the Community has been frequently opposed by European Trade Union organisations(36). The Belgian and Dutch governments too feel that totalitarian states cannot be allowed even to become associates, far less to enter the Community(37), and that the only talks with Spain should be about trade relations. France, West Germany and Luxembourg were prepared to go further than this (38), but the Dutch and Belgian view prevailed. In December 1964 the Commission and Spain began discussions restricted to the economic problems facing Spain as a result of the Community being set up."¹⁴⁴

We know that such 'resistance' from one country or other has been a common feature of the process of European unification. It has happened in case of U.K., Ireland and Denmark who ultimately joined EC in January 1973. And it happened in case of Portugal and Spain who ultimately joined EC in 1986.

After analysing various strands of European opinion, Dharma Kumar came out with three theoretical possibilities pertaining to European political union, namely, "The Community might move towards an ultimate political union, whatever its speed; it might be broken up; or it might remain in a state of suspended animation", and provided the following conditions "which may prove to be necessary for any further integration of the policies of the Six".

"In the first place, the rate of their integration (and much besides) will be affected by the state of relations between the two super-powers. Just as the fear of Russia helped to bring the Community into being, so it may help to draw the Community closer together. For the same reason, a Russo-American *de'tente* might work in the opposite direction. One result of such a *de'tente* (between the two) might be a loose grouping between some of the States of Western and Eastern Europe; another might be a reunification of Western and Eastern Germany. Both of these seem improbable at the moment; but the history of the twentieth century is full of examples of the conversion of the improbable into the actual".

Another necessary condition for bringing the Six into closer political union seems to be that they should all remain stable internally, or at least that the three largest of them should do so. Without this, they might not even stay together.... A widespread depression might well sap the political stability of the six, as well as their willingness to abide by the decisions of the Community on vital economic policies."¹⁴⁵

This is what Dharma Kumar observed at the end of the second chapter, 'Political Trends'. At this stage a few questions come to our mind. Like many other studies on EC

144 *Ibid.*, pp.44. (Author's footnote No.36: "For the views of trade unions, e.g. statements at the General Assembly of the International Confederation of the free Trade Unions of Common Market countries, see *Europe*, March 11, 1964, and March 13, 1964." Footnote No.37: "For the statement of M. Spaak on the Belgian government's opposition to Spain becoming an associate, see *Europe*, March 6, 1964; Footnote No.38: *Europe*, April 25 and May 22, 1964.")

145 *Ibid.*, p.50-1.

this study was also concerned with 'the economic and political *implications* of the EEC for our country.' ICWA sponsored this study with this objective. And like other studies, this study also did not clearly spell out the possible political implications of a United Europe for the Third World countries, and, if we are concerned only about ourself, for India. Everybody talks about the *far-reaching implications* of a United Europe. But what these are, few venture to tell us. Are these good or bad for us, the Third World countries, the non-European communities? In what way these would be good or bad, and to what degree? If these are going to be really bad for us, then can we and the Third World countries do something to stop Europe being united? If these are going to be really good for us, then can we and the Third World countries do something to accelerate the process of European unification? Or, we think that we can not 'interfere' in the affairs of Europe that being their internal matter. Or, we have convinced ourselves that we are utterly powerless and hence should only silently watch the rapid unification of Europe taking place before our eyes, and leave everything to our fate? Have we by opening our embassy at Brussels in 1961 given our whole-hearted support to the unification of Europe thereby indicating that we believe that such unification is good for us? And hence, have we over the years deliberately evolved and implemented such policies that will create those two conditions, mentioned by Dharma Kumar for accelerated integration of Europe, namely, *detente* between the two super-powers, and economic development of EC to give it stability, even sacrificing our own economic interest? Are we cooperating with EC inspite of unfavourable terms of trade, adverse trade balance because we really believe or have come to conclusion after serious thinking that political and economic implications of strong, united Europe are good for us and the Third World countries? If so, what are we worried about?

EC has one and only one objective before it, and from the beginning it has been *crystal clear*, namely, political unification of Europe including Eastern Europe and European Russia, and other people of European origin. What is our objective vis-a-vis EC? One would expect our policies in relation to EC are being evolved on our reading of the 'far-reaching' political implications of such unification. So far these implications have not been spelled out. We only know what has been India's policy towards the Community, a topic covered in the third chapter by Dharma Kumar. From this one has to distil India's reading of the implications.

Like her earlier chapters, Dharma Kumar's third chapter is also very informative, analytical, precise and full of in-sights. It is difficult to summarise this 14-page chapter. To summarise means to miss some valuable point, some valuable insights. To avoid this we

have quoted extensively from this chapter, but to do full justice to Kumar one must carefully study her chapter itself.

Kumar explained how Indian policy towards the EEC was evolved through three phases. In the first phase, which lasted upto 1961, India's interest in the European experiment was relatively slight, and her reactions to EEC were not very favourable. The second phase began in 1961 when Britain announced her intension of applying for membership of the Community. India was forced to take a much sharper interest in European Affairs. Fearing that the enlarged Community would damage Indian foreign trade, Delhi began to study measures for protecting it. Important political questions such as the future of the Commonwealth were also raised. The third phase began in January 1963 with the breakdown of the negotiations between the EEC and the U.K. In this phase, Indian attitudes had necessarily been different from those in the first for two reasons: Possibility of U.K. joining the EEC could no longer be ignored. Secondly, by then the Community was grown so strong that whether it included U.K. or not, India had to consider what its direct relationships with the Community as a whole should be. This was obvious where economic matters were concerned. But it became increasingly clear in the political realm too.¹⁴⁶

Following this, Kumar elaborated on the factors which contributed to evolution of policies at various phases.

"During the first years of independence, India took little interest in the movement for European Unification. As the Prime Minister put it in March 1949, it was the natural response to problems peculiar to Europe and to its "legacy of conflict". But concerned with the "immediate human problems" common to all underdeveloped societies - food, clothing, education and health.(1) Even when it was recognised that the problem of underdevelopment was widening in scope, the feeling still remained that Europe's problems were distinct from those of the underdeveloped areas. India's most positive line of policy in international affairs was to promote co-operation, consultation and joint action by the developing countries, first of Asia, and then of the Afro-Asian group, starting with the unofficial Asian Relations Conference of 1947, and the official New Delhi meeting of Asian countries of 1949, and continuing with the development of the Afro-Asian group in the U.N."¹⁴⁷

The second factor that influenced India's policy was the importance given by her to anti-colonialism. In the U.N. it joined the other Afro-Asian countries to oppose French policy on Indo-China and North Africa, and played active role in pressing for the liberation

146 *Ibid.*, p.52.

147 *Ibid.*, pp.52-53.

of European colonies in Africa. According to Kumar during the first phase 'Europe in general was still regarded as tainted by colonialism'.

"This feeling applied to the Community as well and was certainly not removed by its arrangements for Association with the overseas territories; these arrangements looked like colonial exploitation under another name, mere devices to continue the exchange of colonial primary commodities for metropolitan manufacturers. Again, the creation of a special investment fund, instead of routing aid to Africa through U.N. agencies, was regarded as an attempt to create a special preserve for Europe in Africa, and these suspicions were strengthened by the talk of a common Eurafrican policy."¹⁴⁸

Kumar identified a third factor that influenced Indian policy which, according to her, 'in some respects runs contrary to the neo-colonial charge'.

"It was alleged that underdeveloped countries outside the Community would be harmed in at least one material respect, namely, by the discriminatory tariffs imposed against them. When the Six applied to GATT for permission to form a customs union, India was amongst those countries which urged that the formation of the Common Market, and the application of a common external tariff which would be the arithmetic mean of the former national tariff, would result in harmful diversions of trade, particularly from the point of view of the developing countries. On this view, the formation of the Community would be contrary to the GATT objective of free multilateral trade. The arrangements for giving special preferences to the Associated Overseas Territories, many of whose exports competed with the primary products exported by other underdeveloped areas, might be harmful and would in any case be contrary to the GATT provisions against the extension of preferences. Again, the common agricultural policy of the Community could disrupt normal trade channels. In sum, therefore, the creation of the Community would only increase European restrictions on trade with countries outside Europe and the Associated Overseas States. On the assurance of the Six that they would try to avoid developments harmful to countries outside the Community, India refrained from pressing its general objections, but continued to negotiate on individual policies under GATT both with the European Economic Commission in general and bilaterally with members of the Community. These negotiations had some success—for example, Germany agreed to abolish quantitative restrictions on exports of jute goods by the middle of 1964—but on the whole these were minor."

"Finally, India was suspicious of the Community, or rather of the "European" movement as a whole, on even wider grounds. There could, of course, be no objection to the unification of Europe in itself, but this seemed to be connected with the strengthening of Europe as a military ally of the U.S.; all the members of the Community were members of NATO as an element which increased cold war tensions influenced its attitude to the Community."

Kumar further tells us:

"But none of these objections was raised with much vehemence, if only because India's interest in the political aspects of the Community at that time was so tepid. The Western bloc was viewed, by and large, as an Anglo-American alliance. The Community was regarded as a purely regional affair and the region, it was felt, was

not of immediate importance to India--hardly anyone took note of the stand on universalism in the thought of such "European" as M. Monnet.(2) No more than their counterparts in the U.K. did Indian policy-makers foresee that the Community would so rapidly become an important factor in world politics."

"The Community was so far from the preoccupations of the Indian Government and the legislature that there were no references to it in any Lok Sabha or Rajya Sabha debates on foreign policy, nor any official statements on India's policy towards the Community, till the question of British membership of the Community was raised in 1961. To all intents and purposes, the action taken in GATT was practically the only sign of government policy towards the Community. Again, the question of the effect on India's trade aroused much interest. Thus, perhaps the first group in India to consider seriously the implications of the Common Market was the Federation of Indian Chambers of Commerce and Industry which began studying the problem as early as 1957.(3)¹⁴⁹

The second phase began in 1961 with U.K.'s intention to apply for EEC membership. Kumar tells us that during this phase India's foreign policy was influenced by the following four factors: With U.K. joining the EEC, India's export problem would become much more difficult. Second, with U.K. joining the EEC, the EEC would become a world power of the first rank.

"The general objectives of Indian policy were the maintenance of world peace and the advancement of the underdeveloped countries, but it was possible that a strengthened Community might work against them. These fears were voiced by the then Prime Minister, Jawaharlal Nehru, at the Commonwealth Prime Ministers' Conference in October 1962, the primary object of which was to review the U.K. negotiations with the Community and to suggest safeguards for Commonwealth trade in the event of Britain's admission. Nehru drew attention to apprehensions that the Community would deepen the divisions of the cold war:

"Some East European countries have claimed that the European Common Market will lead to an extension of the NATO alliance. That may not be wholly correct, but it may well result in the increase of tension between East and West. The chances of disarmament would grow less. That would be a terrible loss, for disarmament will lead to greater economic progress than the creating or extension of economic communities."(4)¹⁵⁰

149 *Ibid.*, pp.54-55; Author's footnote No.2: "One exception was Asoka Mehta; see, e.g., his speech in the Lok Sabha on September 8, 1961; *Lok Sabha Debate*, Vol. 58, col.8120"; Footnote No.3: "See, P.Chentsal Rao and H.L. Gupta, "Implications of the European Common Market and European Free Trade Association on Trade and Economies of Asian Countries", presented to the Ninth Commission on Asian and Far Eastern Affairs of the International Chamber of Commerce, September 1960 and the Preliminary Note submitted in 1958 to the same body. The authors argue *inter alia*, for action in GATT against the common agricultural policy and AOS preferences to the Six. The Federation has, not surprisingly, continued to be concerned about the restrictive effects of the Community's tariff and trade policies, particularly when the U.K. wanted to join it. See, e.g., FICCI, *Report of the Proceedings of the Executive Committee for the Year 1961*, New Delhi, 1962, pp.21-22, and *Report of the Proceedings of the Executive Committee for the year 1962*, New Delhi, 1963, pp. 29-31, and *Correspondence and relevant documents relating to important questions dealt with by the Federation during the year 1961*, New Delhi, 1962, pp.171-73.").

150 *Ibid.*, pp.56-57, Author's footnote No.4: "*Keesing's Contemporary Archives*, Vol. XIII, p.19011.").

Kumar further reported that Nehru saw a danger that the growth of the Common Market would increase tensions between the rich and the poor nations of the world, and that should the Community insulate and isolate itself into becoming "a rich man's club", the gap between the developed and developing countries might well become wider. Nehru was afraid that the "Common Market arrangements might lead to some extent to the neo-colonial policy of encouraging developing countries to produce raw materials and not industrial goods and offering more or less cheap markets to industrial nations."¹⁵¹

The third factor was the fear that, "The accession of the U.K. to the Community would weaken the Commonwealth, which in its character as a multi-racial, free association between developed and developing nations was a force for peace." Nehru even expressed doubt about the very survival of the Commonwealth. There were, however, a few who saw the situation differently. According to Kumar,

"It is a pleasant irony that both the Communist Party of India and the Jan Sangh welcomed the U.K.'s entry into the Common Market--"that alliance" according to a communist leader, "of international millionaire monopoly concerns directed against the working people and against the smaller capitalist rivals"--precisely because it would lead to the disintegration of the Commonwealth and the freeing of India from its "colonial ties".(6)¹⁵²

Lastly, there was grave apprehensions and concern regarding the economic consequences of Common Market. This was clear from the communique issued at the end of the Commonwealth Economic Consultative Council meeting (mainly of Finance Ministers) in Accra in September 1961. All the representatives except of the U.K., the communique stated:

"Because of the inseparable nature of economic and political relationships with the Commonwealth and because of the political and institutional objectives of the EEC, and the terms of the Treaty of Rome, it was feared by the other Commonwealth countries that U.K. membership in the EEC would fundamentally alter the relationship between the United Kingdom and the Commonwealth countries. Indeed, this relationship might be so imperilled as to weaken the cohesion of the Commonwealth as a whole and thus reduce its effectiveness as a world instrument for understanding, prosperity and peace".(7)¹⁵³

151 *Ibid.*, p.57; Nehru quoted by Kumar; see Kumar's footnote No.5 on page 57, "Indian News" (London), September 29, 1962, p.5."

152 *Ibid.*, p.58; (Author's footnote No.6: "Speech by Bhupesh Gupta in the Rajya Sabha on September 5, 1961; Jan Sangh Views in the *Organiser*, August 7, 1961. For further details see A. Ramkumar, "Indian Attitudes to the Common Market", *Foreign Affairs Reports*, Vol. XIII, No.5 (May 1964), pp.64-70.").

153 *Ibid.*, p.59; (Author's footnote No.7: "Keesing's Contemporary Archives, Vol. XIII, p.1262.").

Kumar further describes in detail the measures Indian Government considered to protect Indian exports. In general, it proposed to the EEC that EEC policies "should include nil or very low tariffs on several exports that India was interested in."⁽⁸⁾¹⁵⁴ Kumar sums up these efforts as follows: "Indian policy ran on two lines. First, we pressed for a lowering of the Common External Tariff, and secondly, by devising special measures for the transitional period we tried to reduce the damage which the U.K.'s accession to the Community would cause."¹⁵⁵

The third phase began after the U.K. negotiations with the Community came to an abrupt end in January 1963. Kumar's study was initiated in this year, and as such we get from her contemporary view of the factors then influencing Indian foreign policy. Writing in 1965 she tells us: "The events of the last few years have altered many of the premises underlying India's foreign policy. In what used to be the dominant Indian view the major problem facing the world was that of bridging the gap between the poor and the rich countries, and the solution lay in a wide international attack on the problems of economic and social development." Here she refers to very pertinent observations of Sisir Gupta who was research secretary of ICWA. He was also member of the study group set up by ICWA to be associated with the research study on EEC of which Kumar was the director. We quote Sisir Gupta as given by Kumar:

"It may be pertinent to sum up the Indian view of the world in the following terms: apart from the generally recognised line dividing the world, that between the Communist and the non-Communist worlds, there is another and more formidable, albeit subdued, dividing line at work. This is the line dividing the developed and the underdeveloped world. What makes this line more pernicious and explosive in the long run is that it broadly coincides with two other lines dividing the peoples of the world; *it so happens that the developed world is in the main the white and the underpopulated part of the world and the underdeveloped the coloured and the overpopulated.* If this line is taken into account, it cuts across the line dividing the Communist and the non-Communist world."⁽¹⁰⁾¹⁵⁶

Kumar also tells us that at that time the main threat to world peace was "assumed to be a direct clash between the two super-powers and in the short run, it was assumed, this threat could be averted by the maintenance of the balance of terror. In the long run, the

154 *Ibid.*, p.60; Author's footnote No.8: "Manubhai Shah, "India and European Economic Community", *The Journal of Industry and Trade*, July 1962, p.1143").

155 *Ibid.*, p.62.

156 *Ibid.*, p.63; Author's footnote No.10: "Sisir Gupta, *India and Regional Integration in Asia* (Bombay, 1964), p.25."); emphasis added.

U.N., relying in unspecified proportions on a mixture of moral force and international arms, would maintain the peace of the world. One of the aims of India's foreign policy should thus be to encourage disarmament, and the diversion of world resources to the development of the poor areas of the world."¹⁵⁷

"For India, in particular, the world was not too dangerous a place, so it could concentrate on its overriding task of alleviating poverty, and by maintaining friendly relations with both blocs and obtain international aid for this purpose."¹⁵⁸

These were the premises underlying India's foreign policy. Kumar pointed out that, "None of these propositions seem self-evident today." While balance of terror still existed, neither of the super-powers was likely to invite destruction from the other. "The fear of nuclear retaliation not only inhibits the super-powers from attacking each other, it also deters them from putting a speedy or decisive end to small local wars. And for geographic and military reasons, the five great powers are relatively unfitted to intervene at effective levels below the use of nuclear weapons in the small wars which are breaking out in Asia".¹⁵⁹

Kumar further pointed out that there was also a new development of diffusion of power. There were many states with varying degrees of capacity and the desire to strike out for themselves in international affairs. These medium-powers challenged the world balance which the two great powers had been trying to establish since the war. "It is in the interest of each that the other retains its nuclear monopoly (for its bloc) so that it has only one opponent to negotiate with." The British were hardly likely to disturb this pattern, though either France or China, the largest of the medium powers, might do so. "And if the Community becomes a political entity, it can hardly be called a medium power, especially if it includes Britain and Scandinavia."¹⁶⁰

Kumar went still deeper and brought out another factor, namely, the changing relationship between each central power and its allies.

But when the Eastern European countries assert their independence of Russia, they do so in very different ways from Western Europe's drift away from Washington. The East European states cannot form a power of their own; they are too weak in

157 *Ibid.*, p.63.

158 *Ibid.*, p.64.

159 *Ibid.*, p.64.

160 *Ibid.*, pp.64-5.

themselves, and Comecon is too loosely knit. If they should separate from Russia, they are likely to move much closer to the Community— but this is a remote possibility. Although the growing economic strength of the Community may attract individual East European countries, it also increases the Soviet Union's interest in close ties with them. The Russian relationship with East Europe is a more intricate one than that between America and West Europe, partly because Eastern Europe may still be considered more necessary to Russian security."¹⁶¹

Other pertinent observations of Kumar were:

"India's relationships to the major countries in each block have already changed or are likely to change, though it is not always clear in what direction. The new leaders of Russia have stated that they will continue the Soviet policy of friendship towards India, but it is still not clear exactly what this implies."

After 1961, it has been frequently assumed in India that the U.K. will not join the Common Market. There is an element of wishful thinking in this belief since, after the Chinese attack, India has grown to value the Commonwealth considerably more than it did in the past..."

In any case, whether the U.K. joins them or not, the Six are likely to play an increasingly important role in world affairs, whether jointly or separately. This is already apparent in the realms of international monetary policy and international aid, and economics and policies do not form watertight compartments.

"Time has blurred the old simplicities on anti-colonialism too. The number of countries still under colonial rule is fast diminishing and it can no longer be held that colonialism is the most pressing problem, even for Asia(12) or Africa. The solid anti-colonial front is necessarily breaking up. As they become masters of their own houses, the Africans need less outside help and are more concerned with purely African problems. In any case none of the Six now has colonies (apart from tiny enclaves or islands such as the Netherlands Antilles) and the Associations arrangement, as we shall see in the following chapter, cannot be regarded simply as a form of "neo-colonialism."¹⁶²

Kumar's analysis of India's policy towards the Community encourages us to ask some questions. First, about the substance, magnitude and direction of change in the policy followed for fourteen long years (1947-61). During this period the European Community had already laid down a strong institutional foundation, and was emerging as a major economic and political force. It was clear and accepted that what the Community had already achieved and the objective it was moving towards were both extra-ordinary and of historical significance. In the light of this one has to ask whether the changes in Indian thinking and India's policy towards the Community during the four year period (1961-65) covered by the last two phases referred to by Kumar, and since then, were really significant.

161 *Ibid.*, p.65.

162 *Ibid.*, pp.65-6, (Author's footnote No.12: "Cf. Statement of Nehru in Rajya Sabha, August 26, 1954, "...the crisis of the time in Asia is colonialism versus anti-colonialism...").

We know that the top political leaders such as Nehru, Morarji Desai, Ashok Mehta, as well as top leaders from industry and trade were aware of the changes taking place in Europe and the far-reaching political implications of a United States of Europe. When Sovani mentioned about the 'colossal ignorance that prevails in India about the EEC', obviously he had in mind the general masses and the academic world and not these leaders, and perhaps, the top ICS bureaucrats and diplomats. And yet, one does not find any significant change in the Indian policy towards the Community. The basic objective remained the same, i.e., short-term economic gains. Hence, predominance of economic (trade) issues in negotiations; dependence on Europeans for trade and aid to get foreign exchange; emphasis on North-South, East-West dialogue, international cooperation and international dependence to gain some immediate economic advantage. For the sake of short-term economic gains, European Community's long-term political objectives and their implications for non-European communities were over-looked or ignored. In short, the basic theme continued to be economic.

Regarding the importance given to the anti-colonialism in India's foreign policy, Kumar observed: "Time has blurred the old simplicities on anti-colonialism too. The number of countries still under colonial rule is fast diminishing and it can no longer be held that colonialism is the most pressing problem, even for Asia and Africa". What were these "old simplicities"? Colonialism has three components: political domination, economic exploitation, and the third, perhaps the most hated one, is social-psychological component, i.e., social discrimination and psychological domination—a product of racial arrogance or racialism. It was this that made Nehru write the following just before the independence:

Racialism in India is not so much English *versus* Indian. It is European as opposed to the Asian. In India every European, be he German or Pole or Rumanian, is automatically a member of the ruling race. Railway carriages, station retiring rooms, benches in parks, etc., are marked 'For Europeans Only'. This is bad enough in South Africa or elsewhere, but to have to put up with it in one's own country is a humiliating and exasperating reminder of our enslaved condition."

It is true that a gradual change has been taking place in these external manifestations of racial superiority and imperial arrogance. But the process is slow and frequent instances occur to show how superficial it is. Political pressure and the rise of militant nationalism enforces change and leads to a deliberate attempt to tone down the former racialism and aggressiveness; and yet that very political movement, when it reaches a stage of crisis and is sought to be crushed, leads to a resurgence of all the old imperialist and racial arrogance in its extreme form."¹⁶³

When European colonial powers gave freedom to their colonies does it mean they have completely overcome the desire and actions on all the three fronts? To assume that colonialism is dead because 'none of the Six now has colonies' (or, to update, none of the Twelve has colonies) will be too simplistic and naive assumption. And yet in Kumar's analysis colonialism is primarily considered from only political and economic perspective with little attention to the third component, namely, racialism. The only exception is when she referred to Sisir Gupta's four-fold classification of the countries, one of which is based on colour (white - coloured) i.e. race, the remaining three being communist - non-communist, developed - underdeveloped, and under-populated - over-populated.

This brings us to other important question. Why do Indian's feel shy of openly criticising European racialism, in contrast to their sharp reaction to two other components of colonialism? They are always most vocal when it comes to South Africa's apartheid policy, and win gratitude of Africans. As if racialism in the world was concentrated only in S. Africa. This policy of deliberately over-looking the European racialism continued even after the second and third phase of evolution of Indian foreign policy. It seems by keeping the S.African issue alive all these years by open and subtle support to S. Africa, and by prolonging the settlement of the issue, the European Community very effectively diverted the attention of India and other non-European communities from its own racialism. The foundation of European Community is social segregation of European race through common market and political union. South Africa's apartheid policy was honestly, openly, candidly stated; European Community's was very subtle, invisible, never explicit, yet always present. Apartheid in South Africa is on the run; In European Community it is going from strength to strength. Thus, while racialism is being subdued in a small part of the world, a supra-apartheid regime is emerging in Europe. Has Indian policy-makers' tendency to ignore existence of European racialism coloured its policy towards the European Community?

The observation of Kumar that 'hardly anyone took note of the strand and universalism in the thought of such "Europeans" as M. Monnet', created some confusion in our mind. She has referred to Monnet at five places (p.2, 36, 39, 49 and 55).¹⁶⁴ On page 2, she referred to Monnet as 'Federalist'. On page 36, she referred to Monnet's speech at Bad Godesberg (published in *Europe*, February 23, 1964), "in the words of M. Monnet, the creation of the United States of Europe has begun'. On page 39 she referred to him in

¹⁶⁴ In addition to these pages, *Index* in Kumar's book mentioned p.67n as well, though on page 67n we did not find any mention of Monnet.

connection with the difference of opinion among the members of the Community regarding the political shape, the frontiers, and the expansion of the European Community, as follows: "Moreover, the statement by the Dutch and German governments that 'the ultimate aim of the German and Dutch European policies is the establishment of a democratically-based unified Europe, in which the present members of the Community, Britain and other European countries will participate'(22) would be supported by many in France too, particularly the Monnet Group". On page 49 she referred to Monnet as follows: "Just as there are Gaullists outside France, so there are non-Gaullists inside France, and some of them - not to mention the Monnet group - are opposed to an Anti-American strand." (pp.48-49). And then on page 55, the author wrote about the 'strand of universalism in the thought of such "Europeans" as M. Monnet."

Where did she find this 'strand of universalism', and, most importantly, how did she come to this conclusion? Contrary to her findings, John Brooks, the American journalist did not find any strand of universalism in the thoughts of Monnet. He also went to Europe, about a year before Kumar, to study the EEC and the personalities behind EEC, especially Monnet. He referred to Monnet as "arch-European" and mentioned that "Monnet never talks about 'mankind' or 'humanity'"¹⁶⁵ Perhaps, Kumar could not get Brooks' book in time. Kumar has referred to Krause.¹⁶⁶ Krause did not mention any strand of universalism in his analysis of the four basic motives underlying the formation of the EEC (which was primarily based on Monnet's article, "A Ferment of Change" published in his book). In the same book there is an article by Ali A. Mazrui, "African Attitudes to the European Economic Community". Mazrui referred to James Reston, an influential American columnist who visited Europe sometime during 1961 to study the EEC. Mazrui mentioned that Reston in his article, "The Problems of Race in the World Politics" (*The New York Times*, December 15, 1961), claimed that the implications, for Europe's future, of a racially self-conscious Afro-Asia were certainly not absent from European thinking at the highest level. "Claiming official sources for his statements he (Reston) has said that for Britain the need to keep talking to the Russians - and, implicitly, to have a united Europe - arises in part from considerations of future protection against the pressure of races far more numerous than the white races. Looking at the same long-range future, a French official, talking to Mr. Reston, forecast that "The great conflict at the end of the century will not be ideological but racial. Mr. Reston himself concedes that this may be a wrong forecast but, in his own words, "it

165 John Brooks, *op.cit.*, p.68.

166 Lawrence B. Krause, *op.cit.*

is being said, not by broom philosophers, but by some of influential officials in the Western world."(p.125-26). In Mazrui's paper and Reston's article, both published during 1961-63 period, there is no reference to strand of universalism in the thought of Monnet.

We ourselves have analysed Monnet's ideas presented in his article, "A Ferment of Change".¹⁶⁷ We found Monnet's propositions very attractive. Like Kumar we also believed that Monnet's thoughts contained strand of universalism, that his institutional approach would change the behaviour of European nations towards each other and thus contribute to European unity, and consequently to the European Community's behaviour towards non-European communities. But all this was initial impression, mostly feelings influenced by his vision about Europe and deep commitment to restore Europe to a place of dignity in the world. The period between Monnet's writing and Kumar's exposure to his ideas was very short, may be not more than 5-6 years. We studied Monnet nearly 30 years after his writing and hence after initial reaction could check the validity of his ideas and our own reactions with the help of events during the last 30 years. We realised that there was no real universalism in Monnet's thoughts. His universe was limited to Europe and Europeans, every thing else was secondary. Our initial inference was based not on the cold logic but on belief and sentiments, and perhaps influenced by wishful thinking. Thirty years of experience of non-European communities following EC's thirty years of experimentation with Monnet's ideas helped us to draw a different inference, an advantage Kumar did not have. The likely danger of unsupported inference and wishful thinking is that one analyses every policy and action of EC and also our own from a pre-determined perspective to predict the future. It is only after a sufficiently long period of time, when deviation of actual events from the predicted one becomes significant, one realises the mistakes in previous calculations, and/or influence of other imponderable factors during the period.

Let us go back to Kumar for further insights in the evolution of EC. In Chapter IV on 'Europe and Africa', Kumar examined the precise nature of the Association arrangements and the actual gains and losses to both sides. According to the author from the very beginning of the post-war European movement, special attention was paid to the kinds of links that might exist between the European countries and their colonies, even though interest of different countries of Europe in this particular problem were very unequal. Of the Six only France and Belgium had sizable colonial territories left, mainly in Africa, and these they readily shared with the Community. "The question of sharing imperial advantages first

came up when the European Coal and Steel Community was formed; in fact Robert Schuman spoke of France bringing Africa "as a dowry to Europe" when he put forward his plan for a European Coal and Steel Community(1). The Paris Treaty provided for the opening up of African markets to all the Six".¹⁶⁸

The author's reference to "France bringing Africa as a dowry to Europe" reminds one of the fortuitous 'dowry gift' of the island of Bombay from Portugal to Charles II of England in 1662. In Europe traditions die hard, especially when matters pertain to the third world, non-European countries. By referring to Africa as dowry, Robert Schuman was merely reinforcing the age-old European tradition of treating third world, non-European countries/ regions/ markets as convenient dowry gifts.

The author gave a number of illustrations as to how some African statesmen charged that the Association was a form of neo-colonialism. After critically analysing the gains and losses to both the sides, the Author observed:

"In short, the striking feature of the Association so far is that it has not brought about much change, and that the changes that have taken place have not always been in the expected directions. The accusation of neo-colonialism implied that the former imperialist ruler was merely replaced by the Community, the nature of the economic connection with the ex-colonies remaining more or less unchanged. But only in the field of aid has there been much replacement and this has not, so far atleast, brought any great political or even economic benefits to the new donors".¹⁶⁹

The author concluded:

"In the next ten or twenty years atleast the Association may well be strengthened. ...But in the longer run the future of the Association is still uncertain. Both the Six and the Associates will be pulled by various external political and economic interests. Purely African forces are likely to dominate the policies of the Associates so that the Association is likely to play a small role, if any, in determining their foreign or even domestic policy. It is possible but by no means certain that each successive convention will become more like a purely commercial agreement with the attrition of the political content of the Association, and that as the African countries develop, the concentration of their trade with Europe will decrease."¹⁷⁰

Recent renewal of Association Agreement for the period of five years (1986-91) supports Kumar's conclusions pertaining to 10 to 20 year period. However, her observations

168 *Ibid.*, pp.67-8 (Author's footnote No.1. "Vernon McKay, *Africa in World Politics*, New York, 1963, p.139").

169 *Ibid.*, pp.81-2.

170 *Ibid.*, p.94.

about the possibility of decreasing concentration of African countries' trade with Europe in the long run have yet to come true.

Chapter V on "The Community and World Trade" examined the operation of the Community's common external tariff (CET), and referred to some general features of the CET of common importance to all developing countries. 'First, the duties on primary commodities, which do not compete with domestic products, tend to be nil or very low. Second, the duties are raised at each stage of manufacture - raw materials, processed or semi-finished materials and manufacturers - in order to protect the domestic processing and manufacturing industries. But it is only fair to add that these features are found in nearly all West European tariff structures, including that of the United Kingdom.'¹⁷¹

Author's chapters VII and VIII were devoted to India's exports to the Common Market, and Commonwealth and the Community, respectively. The last chapter 'The Future' is of particular interest to us.

According to Kumar it was peculiarly difficult to predict the political future of the Community since in political matters the Six were then very far from forming a Community. There were sharp disagreements on major issues of foreign policy, from their relationships with the United States and the United Kingdom to their policy towards the U.S.S.R. There were also differences on matters of defence. It was probable that none were then prepared for surrender of national sovereignty necessary for any meaningful form of political union. In mid 1965 the Community faced what then appeared to be the worst crisis in its history when French Government broke off negotiations on the financing of the common agricultural policy and on related issues and refused to participate in the work of the three Communities (The European Economic Community, European Coal and Steel Community, and the European Atomic Energy Community).

All such differences, disagreements and crises would have led any scholar to believe, as many Indian scholars of Kumar's time did believe and some in India even now believe, not a very bright future for the community, in fact, even its dis-integration. But such current events which looked highly significant at a point of time in the historical process of European unification, did not deceive and misled the keen scholar of Kumar's calibre.

"But the Community has a history of dramatic crises - such as the agricultural prices crisis of 1961 and the breakdown of the United Kingdom negotiations in 1963 - each of which seemed worse than the last and each of which was surmounted sooner than

most people expected. It seemed as if the crisis of 1964 would slow down the processes of integration within the Community for a long time, but within two years the Community had gone so fast towards forming a customs union and towards working out a common agricultural policy that the "Europeans" were encouraged to plan the next step towards political union. But the latest crisis has again thrown the future of the Community into confusion and uncertainty."¹⁷²

Kumar presented four possible futures for the Community, all having a fair degree of probability. These were:

"First, after a short pause the Six might move towards political integration.

Secondly, they might stagnate for at least a few years. Those common policies already initiated would continue to be carried out, and on some economic matters, especially those for which the Rome Treaty lays down definite time-tables, further progress in economic integration might even be made. But in general there would be no further advance towards integration.

Thirdly--and this view would be supported by those who hold that the Community must advance if it is to exist--it might break up. Some of its achievements, such as the customs union, would be retained, but no other attempts at joint action would be made. All attempts at closer union in Europe might be abandoned; whatever joint action was necessary would be taken in wider organisations such as NATO and OECD.

Lastly, some other group might attempt to form the nucleus of European integration; a suggestion made in the U.K. now is that the Five and the U.K. should form a new Community, if France is unwilling to remain a member.

In the immediate future, it is the possibility of stalemate which seems the most likely; many observers certainly think so,⁽¹⁾ though this may be partly because the human mind tends to assume that things will continue as they are. Since a complete breakdown is unlikely, it seems more probable than not that after a period of stalemate the Six will resume the work of economic integration. If this process continues, the forces for political integration will be strengthened. The forces attracting the United Kingdom to the Continent will also become stronger; here too it seems more probable than not that Britain, and with it other members of the EFTA, will join the Community within the next decade or two, whether as full members or in some form of association.¹⁷³

This was the strength of Kumar. Not many Indian writers of her time came out boldly with such conclusions. As we know, U.K. joined EC in 1973, within seven years of Kumar's publication, followed by Denmark and Portugal, while the rest of the EFTA members are trying hard for EC membership.

172 *Ibid.*, p.222.

173 *Ibid.*, pp.222-3. (Author's footnote No.1: See, e.g. Miriam Camps, *What kind of Europe* (London, 1965); this was published before the recent crisis.)

As regard to long-term implications of British membership of the Community, the author provided two alternate scenarios: "This might weaken its political cohesiveness by adding more "Gaullists" to those already in it. Alternatively, if the "Europeans" are right, the "Community method" and the "Logic of events" might change the British themselves, and make them ready to surrender sovereignty to Community institutions. In either case the Commonwealth would almost certainly be weakened."¹⁷⁴ As we know, U.K.'s relations with EC evolved, and continue to evolve, as per the second scenario drawn by Kumar.

In Kumar's perception of 'The Future' we, however, miss two things. *One*, no reference, not even a word, about the future relationship of the Community with Eastern Europe and U.S.S.R. *Two*, no reference whatsoever to the possibility greater emphasis being given by EC leaders to the wider definition of the term "European" emphasising European origin, European heritage etc., and its politico-economic implications. Perhaps, these two are inter-related, and since the author ignored the second, she could not anticipate the great historical changes that were to take place in Eastern Europe and U.S.S.R. within three decades of her writing.

Kumar, like many others, was quite aware of the overt and covert meaning of the terms "Europe" and "Europeans" in the minds of European leaders and the founding fathers of the Community. For example, in her second chapter she has quoted some of these leaders: "Europe must spread to its natural frontiers"; The favourite phrase of General de Gaulle, "Europe from the Atlantic to the Urals", which included not only Eastern Europe but part of the Soviet Union.¹⁷⁵ Or, her own analysis of the possible result of Russo-American *de'tente*, namely, a "loose grouping between some of the states of Western and Eastern Europe".¹⁷⁶ Or, her reference to Sisir Gupta drawing attention to the line dividing the developed and the underdeveloped world coinciding with the line dividing the peoples of the world - white and coloured, a reference to racial dimension in the world politics.¹⁷⁷ Still, Kumar did not consider the ethno-racial dimensions of European unification and their political implications in her analysis of the future. Author was considerably successful in predicting the immediate future of the Community. Perhaps, inclusion of ethno-racial dimensions would improve our capacity to predict our future vis-a-vis European Community.

174 *Ibid.*, p.228.

175 *Ibid.*, p.39.

176 *Ibid.*, p.50.

177 *Ibid.*, p.63.

Kumar finalised her manuscript in December 1965. Immediately after this, during the academic year 1966-67, she was engaged as Visiting Fellow at Clare Hall, Cambridge. In January 1967 we have an article from her on EC.¹⁷⁸ We do not know whether the author continued research on EC after returning from Cambridge.

13.0 P.G. Salvi

We will now move to other book. P.G. Salvi, then working in the Ministry of Commerce, Government of India, wrote on EEC in 1967 primarily with reference to trade.¹⁷⁹ He described the emergence of EEC and the Commonwealth as well as commoditywise analysis of West-European market. He informed us that the restrictive commercial policy of Western Europe systematically discouraged countries like India to take advantage of the growing West European market. Incidentally, we also learn from him that India took keen interest in a comprehensive study of Western European market by deputing in 1959 an Indian delegation led by Shri K.B. Lall.

'The delegation mainly secured import quotas for Indian goods, which had been restricted hitherto, recommended early establishment of a Trade Centre at Frankfurt and suggested the conclusion of "link deals" with certain big and influential European firms. The last two experiments have since been carried out, though it is still a matter of controversy whether any fruitful results have been achieved through them.¹⁸⁰

Salvi also observed that trade between Western Europe and East European countries including Russia was on the increase. To overcome the difficulties in selling industrial plants or manufactured consumer goods to Western countries, the Eastern Block devised two systems. One was 'profit-motive' introduced by Soviet Prime Minister Kosygin to give increased freedom of decision for industrial managers. The second was to encourage long-term cooperation agreement between an industrial undertaking in East Europe with a western firm. Hungary entered into an agreement with Krupp under which Krupp sold to Hungary the machinery for a factory. The lathes produced in this factory went to Krupp.¹⁸¹

178 Dharma Kumar, "India and the Common Market: The Price of British Membership", *Round Table*, 225, January 1967, pp.35-41.

179 P.G. Salvi, *The West European Market*, Lalwani Publishing House, Bombay, 1967.

180 *Ibid.*, p.75.

181 *Ibid.*, p.80.

Salvi's above observations are very significant. From his description it is clear that the 'recent' efforts (1989) on the part of East European countries and Russia for closer ties with EC, which are part of Gorbachov's *perestroika* and *glasnost* are, after all, not really recent, but culmination of the process initiated much earlier. In other words, strategies for unity of Eastern Europe and U.S.S.R. with Western Europe were well planned and initiated much earlier along with formation of EC, and were as gradual and imperceptible as EC's own evolution.

Salvi was an optimist as we see from his following observations:

"It is hoped that the Western European countries will adjust their tariff in such a way as to enable developing countries to export more goods. These countries will have to accelerate the relaxation of quota restrictions, internal taxes on imported commodities and other discriminatory measures which impede imports from developing countries. It is hoped that in the coming years with the relaxation of trade barriers and other restrictive practices, developing countries will augment their exports to West European countries, improve their balance-of-payments position and eventually attain some surplus in order to pay back the loans and many other forms of credit received by them in recent years."¹⁸²

What is the source or basis for Salvi's optimism is not known. What Salvi hoped did not materialised. Frustrations of third world countries in negotiations with EC under GATT are well-known. One may say that optimist Indians like Salvi perhaps did not quite understand the 'West European psyche.' Such false hopes are dangerous. At one time it was hoped that Common Market may not materialise. Initially, there were some discords and drifts in the operations of EC, the most publicized being the, so to say, conflict between Britain and EC. It was hoped Britain would not join EC. But in spite of all the differences with EC and concerns expressed by the Commonwealth countries, Britain did join EC in 1973. Such discords and drifts, then created a false hope among the non-European countries that after all Common Market may not materialise, or even if it did, it would be a weak organisation. But EC went on from strength to strength, working coolly, unperturbed in the face of all discords, drifts and criticisms. Salvi and many others have been victims of other kind of hope, namely, West Europeans under piety would stop exploiting the third world countries. Such false hopes are often encouraged by West Europeans by periodically offering to a third world country little tit-bits, a little increase in import quota, a little reduction in tariff, a little more development assistance, often at a cost to some other third world country.

Such false hopes nurtured by various means dulled the reaction of developing countries, made them complacent, and discouraged any efforts towards evolution of common front against EC operations. (Or, in the words of Professor Sovani reported earlier, 'Join the battle that will be waged by the developing countries as a whole'). Carrot and stick game played by EC with individual countries further discouraged evolution of such common front. Complacency on the part of developing countries, in turn, gave more time to Western Europe to tighten its noose around the neck of developing countries. Salvi did not give any suggestions as to what strategies India and other developing countries should follow if the things did not move as he hoped. Perhaps, in his judgement, there was no alternative; only hope. Or, perhaps, his silence on this point was part of Indian diplomacy.

14.0 G. Sundaram

We have a book and number of articles on EC by G. Sundaram of Indian Administrative Service (IAS). In 1970 he went to University of Brussels for M.Phil. in Economics of Integration with special reference to the EEC. His study was confined to India-EEC trade.¹⁸³ Along with his M.Phil. work he attended training for a period of six months with European Economic Commission in Brussels which, according to him, provided him an opportunity 'to observe the EEC in action 'from within', and to learn about the European problems from personage such as Mr. Paul-Henri Spaak, one of the founder-fathers of EEC, Mr. Jean Rey, President of European Economic Commission, Prof. Henri Simonet (later Foreign Minister of Belgium), and many others. Professor Paul Hatry in the Faculty of Economics of the University of Brussels (later Finance Minister of Belgium) taught him International Trade and guided him in preparing a study on India-EEC trade. On return, on the advice of Professor R.S. Nigam, Head of the Department of Commerce and Director, Delhi School of Economics, he studied for his Ph.D. the relationship of the Associated countries of Yaounde and Arusha (the present expanded ACP: African, Caribbean and Pacific) with the EEC in the context of the commercial policy of the EEC. He got his Ph.D. in 1977 for his thesis 'Commercial Policy of the EEC and Association Agreements', which was published in 1983.¹⁸⁴ He was posted Counsellor in the Embassy of India, Brussels and accredited to the EEC for nearly three years.

Sundaram's book covered various relevant provisions of the Treaty of Rome, various agreements including the Association Agreements, and impact of EEC policies on developi

183 G. Sundaram, "India's Trade Relations with the EEC", *Courier de L'Extreme-Orient*, University of Bru Institute of Sociology, December 1970.

184 G. Sundaram, *op.cit.*, p.v.

countries and Associated States. His analysis was based on data pertaining to economic structure of six African countries, and detailed trade statistics for these countries and India. At the end he suggested a "workable proposition" for India vis-a-vis EEC and its linkages with ACP countries.

Before we present Sundaram's workable proposition for India let us first look into some of his important observations. He observed that the theory of economic integration was relevant and successful only in case of Europe. All attempts in developing countries (he gave example of the East African Community) for economic integration were not successful due to lack of political will and economic factors.¹⁸⁵ At other place he also pointed out that political issues and play of big powers indirectly affected the attempts at economic solidarity of the developing countries.¹⁸⁶ On EEC-ACP relation, Sundaram presented both European and African perspectives which were contradictory. European considered it 'as an example of development cooperation for a better economic order', while the Africans wondered "whether the rosy picture painted by the Lome agreement will be implemented in reality." There was a feeling that "Africa has become the hunting ground for minerals and raw materials".¹⁸⁷ Sundaram analysed this special relationship between the developed and the developing countries and, according to him, built up a case for mutually beneficial economic cooperation.

Sundaram was aware of the political objective underlying EEC. "The ultimate goal of all those developments is political integration or unification of Europe."¹⁸⁸ He mentioned that apart from the idea of getting raw materials and fuels, the Community was interested also in a sort of political relationship with the various countries, particularly around Europe. He quoted E.A.G. Robinson:

"The economic arguments for the further integration of nations, so as to create wider markets, are not overwhelmingly conclusive... It is sometimes difficult for an economist, aware of the limitation of the economic arguments, not to feel that if the political arguments are strong as he believes them to be, the protagonists of integration should more frankly rest themselves on them".¹⁸⁹

185 *Ibid.*, p.4; see also p. 225.

186 *Ibid.*, p.221.

187 *Ibid.*, p.4 (Author's footnote No.7: Mutharika, Bingu W.T.: *The African Review*, Vol.5., No.4, 1975.).

188 *Ibid.*, p.49.

189 E.A.G. Robinson, *Economic Consequences of the Size of the Nations*, Macmillan, 1960.

He also quoted Walter Hallstein, the First President of the European Economic Commission:

"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."¹⁹⁰

In the light of the then development between the Community and the ACP countries Sundaram concluded that "the future of the Commonwealth and its organisations such as Commonwealth Secretariat look bleak, if not meaningless."¹⁹¹ About the protectionist tendencies of the European Community he observed:

"The Community is fast becoming more and more a protectionist institution. The member-countries have started adopting a protectionist stance on almost all issues. In this regard, it is all the more a great disadvantage for India, for her important political and trade partner, Britain, appears to be the most protectionist in her attitudes. Perhaps, with the exception of the Federal Republic of Germany, almost all the other EC countries have started taking a protectionist stance against Japan too. In other words, we are now drifting in a world of economic protectionism".¹⁹²

Sundaram expected the Community's expansion with the possibility of Norway, Spain, Portugal and Turkey joining it. He, however, felt that the Community would be less effective with more countries joining it, "for the cohesion will be lost and the level of development in the new member-countries will also disturb the balance of the Community". He felt that admission of Turkey would particularly cause problems, though he did not give any reasons for this.¹⁹³ Incidentally, Sundaram did not anticipate the possibility of major changes in East European countries and U.S.S.R. He, however, did point out that "the socialist countries of East Europe and other developed countries increased their share of exports to the Community between 1958 and 1972. On the contrary, the developing countries slipped between 1958 and 1972."¹⁹⁴ As it was beyond the scope of his study, he did not explore further to find out whether the above phenomenon was in any way linked with the imperceptible forces operating towards unification of Eastern and Central European countries with the EC.

190 Walter Hallstein, *Europe in the Making*, George Allen and Unwin Ltd., London, 1972.

191 Sundaram, *op.cit.*, p.69.

192 *Ibid.*, p.51.

193 *Ibid.*, p.221.

194 *Ibid.*, p.222.

In his study of six African countries he analysed the commodity concentration, diversification, concentration reduction and instability ratios, and came to following conclusions: Dependence of these countries on a few raw materials, whose prices were highly volatile, affected the exchange earnings of these countries leading to disturbances in investment planning. There was shortage of technical skills in these countries. Despite these difficulties these countries were trying to develop mostly import substitution industries based upon the locally available raw materials. For example, Senegal was moving from export of groundnut to groundnut oil by developing oil-milling. So was the case in respect of manufactured tobacco for Madagascar. These countries could reach very high levels of development within a very short time because of low population, natural wealth potential, aid and technical help from the developed countries.¹⁹⁵

Considering these factors, he depicted that Indian manufactured and agricultural exports suffered disadvantage in the Community vis-a-vis the goods from the ACP countries in spite of the Generalised System of Preference (GSP) concessions. The ACP's STABEX arrangements provided for stabilization of earnings in respect of 12 commodities to start with. Most of the commodity groups were of interest to India. The ACP Convention also virtually excluded third-country participation in project execution. Sundaram observed,

"This cuts at our very thesis of joint ventures and collaboration in African countries. This provision in the Convention needs modification. Instead of tackling the projects on a case by case basis, it should be formalised in the form of agreements and institutions. In other words, there should be an agreement between the EEC and India with a joint machinery to implement it."¹⁹⁶

Sundaram did not grudge the concessions and assistance given to poor countries of the ACP by the EEC. On the contrary he considered the ACP Convention and its arrangements with the EEC as "an important development for the theory of economic integration itself."¹⁹⁷

Following the above, Sundaram analysed various solutions to the problems faced by India and other developing countries who were not associated members of EEC. The idea of other developing countries coming together did not find favour with him. He pointed

195 *Ibid.*, p.223.

196 *Ibid.*, p.224.

197 *Ibid.*, p.225.

out that such solution was suggested by scholars like R.S. Nigam,¹⁹⁸ T.N. Sindhvani,¹⁹⁹ and T.K. Jayaraman²⁰⁰ for the Indian sub-continent, but "such attempts have been, by and large, futile for various reasons". He further pointed out, "the various commodity agreements and cartels at international level are not very effective in collective bargaining and they are also contrary to the spirit of an international economic order".²⁰¹ The solution suggested by Sundaram was:

"extension of the ACP Convention to India on the same principle of equality, free from the odium of "Association".... Should India accept such a relationship, it would not cause great changes because the West European investments in India, subject to the Indian regulations such as the Foreign Exchange Relation Act, are sizeable. It would not also exclude joint ventures by the other countries, although the EEC's predominance would be high. On the contrary, extension of the Lome' Convention would facilitate our ventures in the ACP with the collaboration of the EEC. It would be a formalised triangular arrangement. Besides, there are already many proposals for close collaboration and joint ventures between the EEC and India. For instance, in the field of leather, an EEC - Indian Tanners' Association has already been formed. This association is expected to promote joint ventures and even transfer plants from Europe to India for production of leather in value added forms such as finished leather and footwear."²⁰²

If the above suggestion is not feasible, Sundaram suggested alternatives, namely, modification of the Commercial Cooperation Agreement "in such a way as to incorporate the important features of the ACP Convention. This is the second- best solution. Even the recently concluded Economic and Commercial Cooperation Agreement between the EEC and India, although an improvement over the previous one, is nothing when compared with the ACP Convention."²⁰³

Sundaram further added,

"If this too is not feasible, India's assistance could be made available to Africa.... India has managed to develop quality and a variety of skills which many ACP countries will find an eminently better bargain than getting them from the advanced countries. It would also give satisfaction to the Indians for having provided 'their skills' to poorer countries rather than to advanced countries. The 'brain drain' from India to

198 R.S. Nigam, *A Study of ECM and Its Impact on India's Foreign Trade*, *op.cit.*, 1964.

199 T.N. Sindhvani, *Economic Feasibility of an Asian Common Market*, (A study of the Escap Region), Sterling Publishers Pvt. Ltd., New Delhi, 1975.

200 T.K. Jayaraman, *Economic Integration in the Indian Sub- Continent*, Orient Longman, 1978.

201 Sundaram, *op.cit.*, p.225.

202 *Ibid.*, pp.225-6.

203 *Ibid.*, p.226-7.

the western countries is well known. This could be channelised to the ACP countries. The EEC can also use India for international sub-contracting jobs."²⁰⁴

Sundaram identified the following specific fields for collaboration:

- (a) Cotton and man-made textiles;
- (b) Mining, particularly for diamonds;
- (c) Wood products;
- (d) Leather and footwear;
- (e) Construction;
- (f) Tourism;
- (g) Engineering items;
- (h) A variety of other industries.²⁰⁵

Sundaram then gave various suggestions for (a) UN, (b) the EEC, (c) the ACP, and (d) Government of India.²⁰⁶ His suggestions to GOI are summarised below:

1. Better export efforts and promotion
2. A triangular cooperation with the EEC and the ACP particularly in the fields mentioned above.
3. Activisation of African studies, organisations or institutions for better cooperation and understanding of the ACP in India.
4. Greater emphasis on agricultural exports with accent on unconventional items such as vegetables, wooden furniture, book printing and so on.
5. "Instead of usual negotiations for tariff reductions and quota restrictions (which have almost lost their validity after the Tokyo Round of Negotiations, and which are the preserves of the officials in the embassies and the civil servants in national and international organisations), more sophistication is now required in international commercial relations. For instance, a country like India, having laid a wide industrial base, should look urgently for higher technology cooperation. This should be possible for India with large technical personnel who should be given the requisite managerial and administrative training. After providing such a training, it should be possible to induct them into national and international spheres of administration. This will provide a proper back-up for the sophisticated commercial, economic, industrial and technical cooperation which we are recommending instead of negotiations for tariff reductions and removal of quota restrictions."
6. Officers posted to embassy of India in Brussels should have a working knowledge of French;

204 *Ibid.*, p.227.

205 *Ibid.*, pp.227-8.

206 *Ibid.*, pp.228-231.

7. "The Ambassador to Belgium and Luxembourg is also India's representative to the European Communities, the GATT, and the UNCTAD in Geneva. He is also India's special economic envoy to West Europe. The job requires not only just capacity for public relations which is normally expected of an Ambassador, but also intellectual equipment. Without sufficient background, it is not easy to deal with these diverse, complex, and somewhat technical matters and institutions. The Ambassador should also have the quality of leadership to guide the representatives of a host of other developing countries located in Brussels and Geneva without, at the same time, giving an impression of being a big brother treading on their toes.²⁰⁷

We have quoted Sundaram quite extensively for various reasons. Firstly, being in service one would expect that his recommendations would carry relatively more weight in government policy making levels than those of Indian academicians. Secondly, he came in contact with some of the top people in EC and also saw EC in action 'from within'. One would like to know to what extent he was influenced by such contacts.

Sundaram's strength was that unlike other authors he generated various alternatives to face the problems created by EC operations, and suggested plan of action. To what extent his suggestions were implemented we do not know at this stage. So far there is no formalised triangular arrangement covering EC, ACP and India, though some individual companies in India have found it as a workable strategy at least from short-term perspective.²⁰⁸ Sundaram, however, did not explain as to why EC should encourage such triangular arrangement, i.e., how it would fit in EC's objectives and policies.

Sundaram's suggestions pertaining to our embassies and ambassadors are rather embarrassing. These must have been based on his observations of the weaknesses in our embassy in Brussels. We do not know how the top brass in GOI, especially in the Foreign Affairs Ministry, reacted to Sundaram's suggestions, and whether the subsequent ambassadors to Brussels did have 'intellectual equipment', 'sufficient background', 'quality of leadership' which Sundaram desired them to have, or they merely continued to do the job of 'public relations', and negotiations for tariff reductions and quota restrictions', which according to Sundaram have had almost lost their validity.

207 *Ibid.*, pp.230-1.

208 In a recent discussion on the subject, Professor K. Balakrishnan of Business Policy Area, IIMA, suggested similar strategy. According to him, some Indian companies on their own have followed this strategy and have successfully implemented projects in African countries in collaboration with European companies. He suggested that under the present circumstances one of the strategies for India would be to manufacture products such as garments, as per European standards, in African countries, where import restrictions are relatively less compared to India, in collaboration with African countries and European companies. Marketing of these products in Europe should be with the European Companies as they know the market best, and have the marketing infrastructure.

One finds two weaknesses in Sundaram's otherwise excellent thesis. We do not know how he missed Jean Monnet's article, 'A Ferment of Change'²⁰⁹ and Krause's²¹⁰ analysis of motives underlying formation of EC. Though he was aware of the political objective underlying EC, and quoted Walter Hallstein and E.A.G. Robinson on the subject, he did not pursue the matter further. Hence he could not perceive the grand design and the long-term implications of EC operations, and limited himself to immediate, short-term solutions to problems faced by India vis-a-vis EC. Of course a Ph.D. student has to limit the scope of his study. We are, however, deliberately drawing attention to these limitations because it has been a common weakness of Indian scholars to consider EC operations from only short-term economic perspective without fitting it in long-term strategic plan needed to face the long-term ultimate political objective of EC. Short-term perspectives alone could be dangerous since these are like fire fighting or superficial healing attempts. These do not try to identify and attack the basic cause that on-and-off creates the adverse conditions. These short-term strategies may suit some business enterprises basically concerned with immediate gains, and which are operating in an environment where others too are operating with similar orientation. But EC is not created for short-term gains and has much more formidable long-term objectives. It is possible that a short-term solution on the part of non-European countries may further strengthen EC's capacity to achieve its long-term objective, which once achieved may permanently seal the fate of non-European countries. Hence, the question whether short-term gains are worth pursuing.

The second weakness of Sundaram was the rather cursory comments on the efforts of developing countries for economic integration and development of common front vis-a-vis EC. He merely mentioned that these efforts for economic integration failed due to lack of political will, economic factors, political issues and play of big powers. As we mentioned, the idea of developing countries coming together did not find favour with him. Knowing very well the protectionist tendencies of the European Community he still considered the efforts of developing countries for collective bargaining as 'contrary to the spirit of an international economic order'. Against European Community's protectionist tendencies he did not suggest any strategies.

209 *op.cit.*

210 *op.cit.*