

India and Poland: Vistas for Future Partnership

POST-CONFERENCE REPORT



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INDIA AND POLAND:
VISTAS FOR FUTURE PARTNERSHIP

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International Affairs and the Indian Council of World Affairs**

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The Polish Institute of International Affairs, in cooperation with the Indian Council of World Affairs, held the third bilateral seminar entitled *India and Poland: Vistas for Future Partnership*, on May 17, 2012. The event gathered around 50 diplomats, officials, analysts and academics from both countries, including Poland's Deputy Minister for Foreign Affairs Jerzy Pomianowski, and the Indian Ambassador to Poland, Ms. Monika Kapil Mohta.

The purpose of the meeting was to discuss perspectives on strengthening bilateral cooperation between Poland and India. The conference addressed the following three crucial issues: prospects for a "strategic partnership", defence and economic cooperation, and perceptions and policies regarding major regional and global challenges.

Key Conclusions and Policy Recommendations:

1. There is significant untapped potential for strategic, defence and economic cooperation between Poland and India. However, the idea of a strategic partnership between these countries seems premature, as India may not yet have an interest in or capacity to forge this kind of formal arrangement with Poland. Instead of high level political declarations, there is a need for closer day-to-day cooperation and grassroots work to prepare the ground for a new chapter in bilateral ties. Both sides should engage more vigorously at three key levels: government to government, business to business and people to people contacts.
2. Regular dialogue and exchange of visits must be continued and strengthened. High level visits play an important role in raising mutual visibility and the profiles of Poland and India as perspective partners, paving the way for closer collaboration in various areas. Also, a more active and effective role of Poland in forging EU external and strategic policy is necessary in order to increase a genuine interest of India in bilateral cooperation. Without a more influential voice on crucial issues in the EU policy towards India (FTA negotiations, UN reform, strategy on South Asia, counter-terrorism, etc.) there will be no added value for India in having a separate partnership with Poland.
3. Economic cooperation shows the greatest potential for short-term improvements. Apart from traditional sectors (defence, mining, power) several new and innovative areas offer great opportunities for future cooperation. These include green technology and renewables, joint R&D, pharmaceuticals and biotechnology, IT, and waste management and sanitation. Also an EU-India FTA may boost Poland-India trade and investments. To realise this potential, Poland may consider launching a new export promotion program targeting India exclusively (e.g., the GO India campaign) and India may think about new instruments (such as concessional loans, opening a Bank of India branch in Poland) to recognise Poland as a prospective business destination.
4. Defence and security cooperation remains a pivotal area for bilateral cooperation. To increase chances of success on the Indian market Polish companies should work in cooperation with local partners (e.g., joint ventures), engage in joint R&D projects, including technology transfer, and seek specialised and smaller defence contracts. More joint military exercises, reinvigorated counter-terrorism cooperation and intelligence sharing may further build the confidence necessary for forging successful defence deals.
5. There is still little understanding and some misconceptions between Poland and India on a number of important issues in international relations. To bridge the knowledge gap, both sides may intensify Track II diplomacy through more

joint initiatives and exchange of experts, businessmen and civil society. A strengthened, upgraded and regular Poland-India Roundtable, comprising eminent figures, former diplomats, and representatives of think-tanks, may become a major tool for forging common understanding and developing new initiatives on a wide range of issues of mutual concern. At the same time, new mechanisms of strategic dialogues between business communities (e.g., FICCI/CII and KIG), defence industries, and civil societies, may reinvigorate cooperation in specific areas.

6. Stronger people to people ties are indispensable for an “enhanced partnership” between Poland and India. To empower social links there is an urgent need to liberalise the visa regime and improve the visa application procedure for Indian nationals. Strengthened cultural cooperation, educational exchanges and contacts between opinion leaders and journalists from both states would be essential in order to raise awareness about both partners. The ambitious Polish Institute programme in New Delhi, new scholarship schemes for Indians, or a promotional programme presenting Poland as a tourist destination could all help to reinvigorate bilateral ties.



I. Towards a New Chapter in Poland-India relations

A general consensus among participants was that there is a significant untapped potential for closer strategic, defence and economic cooperation between Poland and India. The majority view was that Poland-India relations had been neglected during the last two decades, and that it is now an opportune time to open a new chapter in these relations. Poland is the fastest growing economy in the EU and has just successfully concluded its Presidency in the European Council. India is one of the world's biggest economies, with a rapid average growth rate (8% GDP in the last decade), and is on a verge of becoming a global power. Proponents of closer engagement put forward the following arguments:

- **Long history of friendly relations with no bilateral problems.** Thanks to close links and a history of positive records in politics, economy, defence, education, and science during the Cold War era, there are favourable foundations on which strengthened ties can be built.
- **Shared values and similar experiences.** Both countries are committed to the principles of democracy, human rights and freedom, and both have gained valuable experience of transition to a market economy since the early 90s. Poland's lack of a colonial past, and crucial historical similarities between Poland and India (long struggles for independence, experiments with socialism, non-violent movements such as Satyagraha and Solidarity, etc.) provide a strong foundation for friendly cooperation.
- **Poland's position as a regional leader.** Poland is the sixth largest economy in the EU and India's biggest trading partner in Central Europe. With its strong economic fundamentals and good growth prospects, it is prospective economic partner and investment destination in this part of the world. Being a new EU Member State with a voice that is being heard better in Brussels, it can also be more attractive for India as an additional gateway to the European Union.
- **Evolution of the international system.** In the emerging multi-polar world order, India is to be among the global powers. However, its real influence will also depend on having close partners among regional leaders. Poland, which signed a strategic partnership with China in late 2011, is more willing to expand its presence in Asia and be more active globally. This opens new avenues for Poland-India cooperation on strategic and global issues. Growing synergies of economic and political interests deserve closer evaluation.



On the other hand, several concerns about the limits for closer engagement were raised. Some of the important arguments were put forward in this context include:

- **Low priority.** Both countries have traditionally focused their foreign policies on their neighbourhoods and relations with global powers, naturally relegating Indian-Polish cooperation to lower positions on their respective agendas. Today there is also relatively little recognition of the value and potential of Warsaw in New Delhi, and vice versa.
- **Low visibility.** The limited level of political, economic and cultural interaction in the past two decades means that the majority of Indians do not have significant knowledge of Poland, and that India is relatively unknown to the wider Polish public. This knowledge gap preserves old stereotypes held in both nations, and hampers more cooperation in many sectors.
- **Structural differences.** Huge discrepancies in population, size and potential - economic and political – complicate joint actions in various fields. Apparently, it is more difficult for Poland, as a smaller partner, to attract attention from India and engage in cooperation as an equal. One question that still needs to be answered, is why India might be interested in a closer relationship with Poland.



II. Prospects for Strategic Partnership?

Although all delegates agreed there is a need to strengthen bilateral relations, there were significant differences in understanding of and approaches to the idea of a Poland-India strategic partnership between Polish and Indian participants. While Poland seems more ready for strategic partnership with India, the latter has many more reservations. Polish participants see this formal arrangement as an opportunity to upgrade bilateral ties and kick-start comprehensive cooperation on many levels, while Indians would see it rather as the final stage of already strong and robust relations. In other words, while Poland prefers a top-down approach to strengthening the relationship, India prefers a bottom-up approach, as the only route to a substantial and long-term partnership.

Representatives of Polish officials raised the opinion that relations between Poland and India “deserve a special framework in order to take advantage of their entire potential”. A formal partnership with India could help high-level dialogue to become more predictable and regular, and could serve as a useful political umbrella for economic cooperation. According to some views, India could be the second pillar of Poland’s Asian policy, next to China. From the other

perspective, Poland could become the fourth strategic partner for India in the EU (including the EU as a whole), but the first one in Central Europe.

Several arguments were presented in support of Poland's value as a special partner for India, stating that Poland:

- is the largest economy and the most populous state in the region
- offers an increasingly attractive investment market
- has stable economic growth
- shares a democratic system
- is not part of the eurozone

This argument was, however, confronted with more critical evaluation from Indian partners, who raised several doubts and concerns regarding Poland's potential as a strategic partner for India. According to one, there are different motivations (economic, strategic, defence) behind India's numerous strategic partnerships, but none of these plays an important role in relations with Poland. Current trade volume, although growing, is still relatively small; strategic interests do not always converge; and Poland's growing influence within the EU is not clearly visible from New Delhi (except for the Eastern Partnership). Poland's limited impact on important directions of European foreign policy (ESDP, strategy towards Asia, position on UN reform) makes many in India question what the additional value of a strategic partnership with Poland over that with the EU could be.

Other factors were presented as possible obstacles for a Poland-India partnership, including:

- problems with issuing visas for Indian nationals
- no direct flights between the two countries
- small Indian diaspora in Poland
- knowledge deficit and little mutual understanding
- limited people-to-people contacts

Discussions also raised the issue of India's limited capacity to get involved in yet another strategic partnership. Indian speakers pointed at some internal constraints in India which may stand in the way of this partnership with Poland. The two most crucial issues suggested in this context were:

Strategic partnership fatigue. Having around 20 strategic partners, Indian politicians are already more reluctant to take on more commitments of this kind, and the concept of "strategic partnership" has itself come under critical evaluation in India in recent years. There is growing disillusionment with the effectiveness and deliverables of many of India's current partnerships. To many, this arrangement, although fashionable, now seems to be overused and lacking its original significance. The time when Indian politicians were ready to grant this status to many of its partners seems to have passed.

Limits of the Indian Foreign Service. Fact that Indian foreign service has not been expanded substantially during the past two decades – while Indian global influences and interests have been – make it overstretched and not willing to take on more engagements. The management of so many strategic dialogues, high-level summits and sectoral consultations imposes extra burdens on Indian diplomacy, and makes it incapable of taking on new initiatives.

To sum up, although, Indian experts agreed that a strategic partnership could indeed help Indian-Polish relations in many fields, they recommended that, realistically, Poland needed to exercise more restraint and patience with this initiative. In their opinion, there is still need to do grassroots work and strengthen cooperation through day-to-day activities before a symbolic high-level declaration can be reached. To prepare the ground for a long-term and substantial strategic partnership, both sides must re-energise ties at three levels: government to government, business to business and people to people.



III. Bilateral defence cooperation

Defence procurements and military cooperation were traditionally one of key areas of Indian-Polish relations. India is still one of the major export markets for Polish arms and, as the largest importer of armaments in 2011, this field offers even greater future prospects. Poland still enjoys a good reputation as a traditional arms supplier to India, and is expected to participate in the modernisation and up-grading of out-dated, post-Soviet equipment and supply modern military equipment at competitive prices. Indian partners especially appreciate the willingness of Polish companies to engage not only in selling arms, but also in technology transfer and joint research and development.

Important barriers to prosperous cooperation in the defence sector lie, however, in the lengthy, and not always transparent procurement procedures, tough competition from the biggest arms exporters and special government track for the most important deals – often not accessible to Polish companies. In order to minimise these constraints, it was advised that Polish firms should find a niche in specialised equipment and assemblies (in aviation, optics, electronic warfare, etc.) and look for smaller opportunities rather than the biggest contracts. Also, joint ventures with Indian partners and constant presence and market surveys may increase chances for commercial success in India. According to one view, Poland may try to draw the attention of the Indian army to the equipment that has been well-tested in combat operations in Afghanistan, such as the Rosomak armoured vehicle.

There were also several new ideas for further boosting military and strategic cooperation:

- The first ever Polish-Indian exercises of Special Forces (“Tiger Claw”) took place in India in November 2011. This historic experience deserves continuation and expansion on other military branches.
- On-going defence dialogue needs to be intensified, and more exchanges of military visits are necessary in order to increase mutual understanding and explore new areas of cooperation.
- Poland and India should enhance counter-terrorism cooperation and intelligence sharing to improve their mutual security and build trust and confidence.
- In some views, another area of cooperation worth considering is collaboration in North Pole exploration.



IV. Bilateral Economic Cooperation

The 2010 trade turnover of \$ 1.3 billion, and minimal two-way FDIs, do not reflect the real potential of Poland and India, both being among world's top 20 economies. While Polish business concentrates the majority of its activities in the EU and close neighbourhood, Indian experts admitted that Poland was not yet fully recognised in India as a business destination. It was pointed out that the areas with the best prospects for cooperation are defence, mining and exploration, machinery, green technology and renewables, joint R&D, pharmaceuticals and biotechnology, IT, and waste management and sanitation. Poland, which the latest World Investment Report (2011) ranked sixth among the most attractive investment destinations in the world, should be considered more seriously by Indian companies.

According to the Polish Agency for Information and Investment (PAIiIZ) the major opportunities for cooperation with India lie in four sectors: supplying machinery and software the pharmaceutical industry and medical equipment, supplying equipment for food processing, and systems and technology transfer in clean energy. It was noted with regret, however, that PAIiIZ doesn't run any promotional programme focused deliberately on the Indian market. More promotional activities both in Poland and India would be necessary in order encourage new initiatives in bilateral trade and investments. According to Indian partners, the EU-India Free Trade Agreement, once concluded, would also be a positive development and may rejuvenate Indian-Polish economic cooperation.

There were also some more specific ideas for strengthening economic ties put forward in this context, including:

- liberalisation and simplifying the visa regime, especially for business and tourist trips
- resumption of a direct flight connection between Poland and India
- intensification and broadening of dialogue between chambers of commerce and business communities

V. Poland and India's Perspectives on Regional Challenges

Discussions about regional challenges focused on three current issues: the situation in Afghanistan, terrorism, and the Arab Spring. Opinions expressed during the conference displayed important differences between Poland and India in their respective worldviews. Being part of Europe, Poland shares the EU perception of threats on a number of issues (such as terrorism, the situation in Afghanistan, climate change, etc.), but these are not necessarily views shared by India. Having a diverse understanding of challenges, a common response to them often seems impossible. For example, India and Europe were for years incapable of engaging in closer cooperation and joint initiatives, despite the EU's visible presence in Asia (Afghanistan, the Indian Ocean, Nepal, Sri Lanka).

It was noted that Poland usually adheres to the EU position on global affairs, which makes its voice less audible in New Delhi. This, according to one Indian speaker, decreases the value of Poland as an important partner, and weakens the added value of a bilateral strategic partnership over that which India already has with the EU. At the same time, Poland's generally rising role in the EU, does not translate, from an Indian perspective, into more influence on the direction of important European foreign and security policy. Adherence to the common EU policy, often inconsistent or even absent, limits Poland's room for manoeuvre. It was noted by one Polish speaker, for example, that this situation is taking place in South Asia, a region still waiting for a coherent and active EU strategy. This was, however, opposed by a different view, that the lack of an EU strategy toward the region may actually free Poland to present its own propositions and play a more visible role in the region.

An example which most vividly exposed the differences between Poland and the EU and India was the reaction to the Arab Spring in 2011. While Poland was very active in making its response visible, and showed willingness to share its transition experience with Arab nations, India was more reluctant to take a clear position. The enthusiasm of Europeans for democratic changes in the region, and their belief that the end of dictatorships will lead to the growth of liberal democratic societies, was not shared by Indians, who have had more doubts about the final outcome of the revolution. The Indian response was grounded in its traditional recognition that each society would have its own system of good governance and its own political system. In opposition to this, the EU reaction was seen in India as the "pursuance of political agenda behind the application of normative power". The distinction also translates into a different understanding of the idea of promoting democracy. India, in line with its long-held policy of non-interference and national sovereignty, takes the position that democracy cannot be imported from abroad, and any active support for democracy from outside is an aberration. This does not, however, exclude possible cooperation on concrete engagement in institution-building or state-building activities.





VI. Concluding Remarks

The conclusions that some kind of “enhanced partnership” between Poland and India is possible, and that both countries should strengthen their cooperation across sectors, was unambiguous. Given the low level of current interaction, and visible differences in opinion regarding many international issues, it may be premature to be talking about a “strategic partnership” at this point. Instead, there is a need for more meetings and cooperation at three levels: government to government, business to business and people to people. It was concluded that continuation of experts’ meetings, such as this one, between PISM and ICWA, is necessary in order to bridge the information gap and increase mutual understanding.



Agenda

III PISM – ICWA Roundtable: India and Poland: Vistas for Future Partnership

17.05.2012 (Thursday)

- 08.45 am – 09.30 am Opening Remarks:
Beata Wojna, Research Director, Polish Institute of International Affairs (PISM), Warsaw
Ms. Manika Jain, Director, Indian Council of World Affairs (ICWA), New Delhi
Monika Kapil Mohta, Ambassador of the Republic of India to Poland
Key-note address:
Jerzy Pomianowski, Undersecretary of State, Ministry of Foreign Affairs, Poland
- 09.30 am – 10.45 am Session 1: **Exploring Strategic Partnership between Poland and India in the multi-polar World**

 Speakers: **Paweł Milewski**, Department of Asia and the Pacific, Ministry of Foreign Affairs
 Prof. Rajendra K Jain, Jawaharlal Nehru University, New Delhi
 Prof. Maria Krzysztof Byrski, Faculty of Oriental Studies, Warsaw University

 Chair **Patryk Kugiel**, Polish Institute of International Affairs
- 10.45 am – 11.15 am Coffee break
- 11.15 am – 12.30 am Session 2: **Vistas for Bilateral Defence and Economic Cooperation**

 Speakers: **Dr. Vijay Sakhuja**, Director Research, ICWA, New Delhi
 Adam Małeck, Polish Information and Foreign Investment Agency, Warsaw
 Prof. Gulshan Sachdeva, Jawaharlal Nehru University, New Delhi

 Chair **Artur Gradziuk**, Head of International Economic Relations and Global Issues Program, PISM
- 12.30 am – 1.30 pm Lunch
- 1.30 pm – 2.45 pm Session 3: **Poland and India's Perspectives on Regional Challenges: Situation in Afghanistan and Pakistan, Arab Spring and Terrorism**

 Speakers: **Dr. Jakub Zajączkowski**, Centre for Contemporary India Research and Studies, Warsaw University
 Prof. Shrikant Paranjpe, University of Pune, India
 Patrycja Sasnal, Polish Institute of International Affairs, Warsaw

 Chair **Beata Górka-Winter**, Head of International Security Program, PISM
- 2.45 p.m – 3.00 p.m **Concluding Session**
Ms. Manika Jain, Director, Indian Council of World Affairs (ICWA), New Delhi
Beata Wojna, Research Director, PISM

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